PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 298

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1997–98

COMPRISING PERIOD
14 July—25 July 1997

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14 July 1997

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 298**

FIFTH VOLUME OF SESSION 1997–98

House of Commons

Monday 14 July 1997

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

Gulf War Veterans

1. **Mr. Hutton:** To ask the Secretary of State for Defence what plans he has to establish an internal advisory group on the health of Gulf war veterans. [6507]

7. **Mr. Olner:** To ask the Secretary of State for Defence when he last met representatives from the Gulf War Veterans Association to discuss Gulf war syndrome. [6513]

The Minister for the Armed Forces (Dr. John Reid): The new internal advisory group on Gulf war veterans' illnesses, which I announced on 16 June, met for the first time last week, to aid my consideration of the detailed policy statement, "Gulf Veterans' Illnesses: A New Beginning", which I am publishing today and contains 20 key measures setting out how the Government intend to address Gulf veterans' concerns in future.

As part of an on-going commitment to deal openly and honestly with Gulf veterans, I met representatives from the main Gulf veterans' groups earlier today to brief them on this initiative.

Mr. Hutton: I am grateful to my hon. Friend for that reply. I welcome that initiative and the others that he has taken since 1 May to deal with the incidence of ill health among our veterans from the Gulf, one of whom is my constituent, Corporal Mervyn Grey, who was exposed to large amounts of pesticide during his service in the Gulf and has been unable to work since. When will the group produce a list of final recommendations for the Government? Will my hon. Friend ensure that they are made available to the public?

Dr. Reid: I can certainly assure my hon. Friend that every piece of information that I have will be made public. As for the current situation, I know that the Gulf veterans will listen closely to what is said today. I am sure that they will be only too keen to update me on future recommendations.

My approach is based on three guiding principles: Gulf veterans will be given prompt access to medical advice; appropriate research will be conducted into veterans' illnesses; and the Ministry of Defence will make public any information it possesses which is of potential relevance to veterans' illnesses. We have pledged our resources to that task and the package that we have produced today, which will double the resources allocated, will cost about £6.5 million over the next three years.

Mr. Olner: I congratulate my hon. Friend on the attitude of the Labour Government which is completely different from that of the previous Government. We recognise that our brave men and women who fought in the Gulf have been left will real problems connected with Gulf war syndrome. There is such a thing, but it was not recognised by the previous Government. I am sure that my constituent, Mr. Tilson, will be pleased to hear my hon. Friend's announcement that research will continue in partnership with our colleagues who fought in the Gulf war rather than according to the adversarial approach taken by the previous Government.

Dr. Reid: I thank my hon. Friend for his comments. As I have said before in the House, we all owe a debt of honour to those men and women who were prepared to

sacrifice their lives and to take risks with them on behalf of the country. Our future relationship with the veterans will be marked by openness and dialogue. Two meetings have already been held between officials, Gulf war veterans and me. The openness is already apparent by the provision of information, which we will make available to the veterans, and the new research into the interaction between the vaccines that they were given and the nerve agent pre-treatment sets tablets. The dialogue is also apparent from our efforts to involve Gulf war veterans in the process, including the research project, which will be overseen by a panel of independent experts. I am glad to say that we have invited the veterans to name their independent assessor on that panel and that they have welcomed that offer.

Mr. Viggers: Does the hon. Gentleman agree that there seems to be a difference between the supportive attitude of the Ministry of Defence to soldiers, sailors and airmen who are serving in the armed forces and its attitude to those who have unfortunately been invalided from the forces? Is he aware that the former Defence Committee thought that it might study that difference? Would he support such a study were it to be conducted?

Dr. Reid: My approach to the veterans, and that of the Government, is that we have a duty and an obligation to them because of the sacrifices that they have made for this country. There are anomalies involving pensions and other benefits. There are anomalies in the treatment of those injured in the service of the country in Northern Ireland, who can receive criminal injuries compensation, and those serving in Bosnia. We are examining all the anomalies and will attempt to produce schemes that are in the best interests of, and provide the best security for, those who have served this country.

Rev. Martin Smyth: I thank the Minister for his statement. He mentioned the main Gulf war veterans group. Is he satisfied that isolated veterans in other parts of the country are fully aware of what is going on? I thank him for his promise to meet me with the Northern Ireland representative next week.

Dr. Reid: I commend the hon. Gentleman on his robust advocacy over many years on behalf of those who are suffering and who served in the Gulf. One of the practical points of the 20-point plan that I have issued today, at the suggestion of the veterans in an earlier meeting, will be the dissemination of information through local general practitioners, the Department of Health and service units to bring the medical assessment programme to the attention of any veterans who are not aware that it is available. If anyone has any other suggestions on how we might disseminate information or make veterans aware of either the medical or the financial resources to which they are entitled, I shall be only too happy to consider them.

Mr. Hancock: I thank the Minister for his useful and helpful announcement this afternoon. I look forward to the report's publication. Will he make available to Gulf veterans, who loyally served this country, the information that has been made available to American service men and women who have suffered similarly from Gulf war syndrome and who seem to have had more success in persuading their Government to acknowledge the syndrome and in obtaining the compensation that they deserve? How many people are known to have had a reaction? What is the Ministry of Defence doing to contact individuals and make information available to them?

Dr. Reid: I am not aware of any area in which other Governments, including the American Government, are further ahead of this new Government in providing information. I have studied the subject of compensation carefully; there are two ways of providing it. The first is the American way, which is to pay large sums of money—largely, but not exclusively, related to the fact that veterans have to pay private medical insurance. We have a thing called the national health service, which this Government are bent on maintaining. The second is no-fault compensation, which is already available to veterans here under their war pensions. That compensation is a supplement—a separate pension from the service pension. The war pension itself is of considerable capital value. A veteran who is on 50 per cent. of the war pension of £107 a week—when supplementaries are taken into account—would have to spend £110,000 capital to purchase that cover. Someone aged 35 who is on a full war pension has a pension with a capital value of £420,000. In addition, unlike their American counterparts, even if our veterans receive that pension, they are entitled to take the Ministry of Defence to court; should they do so, we shall review the position again.

Mr. Barry Jones: I thank my hon. Friend for the manner in which he received my recent deputation when I took to his Department Messrs. Turnbull, Doyle and Robertson. My hon. Friend gave up much of his time and listened carefully. It is the wish of my constituents who are Gulf war veterans that Group Captain Coker should make as much input as possible into the workings of the group. When will the group make its findings known? I am concerned that my constituents' health is deteriorating rapidly and I wish to see them compensated and well treated.

Dr. Reid: I welcome the advice that I received from my hon. Friend's constituents when they came to see me in the Ministry of Defence. I know that there was a perception among the veterans that Group Captain Coker, who had previously been involved in the medical assessment programme, had somehow been dispatched because of his views. I am not entirely sure that that was the case and my hon. Friend will be pleased to know that in the past few days I have spoken to Group Captain Coker, who has agreed to rejoin my advisory committee. I am sure that that fact will be warmly welcomed by the veterans as another sign of the trust which the Government knew was lost and which has now been re-established.

Sir George Young: No one doubts that many hundreds of Gulf war veterans are ill and we welcome this further initiative to find out what went wrong. If there is any new scientific evidence that might shed light on what went wrong, of course it should be pursued and I support that. May I ask the Minister about research? He will know that, last week, Lord Gilbert said that the new Ministry of Defence research programme, which was announced last

month, has not been recommended by the Medical Research Council. Will he take steps to ensure that the research has that validation?

Dr. Reid: I shall certainly do that. I think that my noble Friend meant—and he was quite correct—that it was initiated not by the MRC but by me. I shall continue to initiate the exploration of any avenues that will assist research and medical resources for our Gulf war veterans.

Armed Forces (Recruitment)

2. **Mr. Bayley:** To ask the Secretary of State for Defence if he will make a statement on recruitment to the armed forces. [6508]

Dr. Reid: Because of the legacy of shortages left by the previous Government, this Government have made recruiting to the armed forces one of their top priorities. It is of particular concern that manning shortages exist in all three services and, in some areas, are set to get worse. We are therefore examining, as a matter of urgency, new ways in which recruitment to the armed forces can be improved in order to reduce the significant shortfalls left by the Conservative Government.

Mr. Bayley: This weekend, I visited 2 Signal regiment on exercises at Otterburn. That York-based regiment has recently served in the Falklands and in Bosnia, yet I learnt that it is 25 per cent. under strength as a result of the mismanagement of the defence draw-down under the previous Government. I was impressed by the commitment of the officers, men and women of the regiment and of the Gurkhas, who also serve in the regiment now. What further steps can the Labour Government take to reduce those manpower shortfalls in our regiments?

Dr. Reid: I assure my hon. Friend that, over the past two months, I have become only too well aware of the significant problem of undermanning, which is a legacy of the previous Government's incompetence. It is a deplorable and unacceptable legacy, which is being experienced by all three services. It is especially acute in the Army, where there are significant shortfalls in the infantry, the Royal Armoured Corps and the Royal Engineers. We are committed to reversing that problem and the recruitment and retention of service personnel lies right at the top of our priorities. I take this opportunity to say to anyone outside the House who thinks that the services are in decline that that is not the case: in the armed forces there are very many opportunities for young men and women to be equipped with skills, training, discipline and character, which will not only serve their country well, but will serve them well in their future careers.

Mr. Colvin: The comments of the Minister of State are of a party political nature: I do not think that they do him credit, nor are they entirely consistent with the Secretary of State's calls for consensus on defence matters. Does he acknowledge that numbers in the armed forces have as much to do with retention as with recruitment? If the armed forces and his Department were given the resources that they require to meet their current commitments, the question of tours of duty could be addressed and morale in the armed forces—especially in the infantry—could be increased. Soldiers could thereby be retained by the armed forces: something that they want to happen, but which morale—often at home—prevents.

Dr. Reid: Yes, indeed. As a statement of historical fact, I would alert the hon. Gentleman to the fact that I have already referred to retention as well as to recruitment. As a statement of objective fact, I draw to his attention the fact that the Army is already almost 5,500 short and that the problem is due to worsen, possibly to as many as 7,500 short. As a statement of consensus, I hope that he will give the Government full backing in their attempt to turn that situation around.

Mr. David Heath: I am glad that the Minister drew attention to the scale of the figures. A shortfall of 5,500 or 5,800 below regimental complement—which he might have spoken of—is very serious and places a great deal of strain on individual units and individual soldiers. Will the Minister give a clear commitment that he will seek to increase recruitment to meet complement instead of reducing complement to meet current recruitment levels?

Dr. Reid: I shall give the hon. Gentleman a clear commitment that recruitment to the armed forces will be among my highest priorities. However, in the spirit of consensus, I draw attention to the points made by the hon. Member for Romsey (Mr. Colvin), who said that, in the armed forces, retention is as big a problem as recruitment. It may well be that the way in which we attempt to retain people, especially early in their time in the services, has not taken account of the 30-year drift separating the culture and fitness of civil society and that of military society. Those matters will be among my highest priorities.

Horseshoe Barracks

3. **Sir Teddy Taylor:** To ask the Secretary of State for Defence if he will make a statement on the future of Horseshoe barracks in Shoeburyness. [6509]

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): Horseshoe barracks has been closed for some years and will be made available for sale within the next 18 months as it is no longer required by my Department.

Sir Teddy Taylor: In view of the high unemployment in my constituency and the depressing news about further job losses in the Shoebury ranges, will the Government ensure that there is no undue delay and commit themselves to ensuring that that magnificent site is used to reinvigorate the economy of Shoeburyness and does not simply become another house building site?

Mr. Spellar: As the hon. Member is aware, the joint working group was established last year to co-ordinate the sale and development of the site. That, as he knows, includes the Ministry of Defence, Essex county council and Southend-on-Sea borough council. Obviously we encouraged them to work as fast as possible to make the site ready for development.

The hon. Gentleman must be fully aware that we must obtain the best price for the property for the taxpayer, but we fully intend to work with local authorities and others

to ensure that our attempts to meet that objective do not conflict with meeting our wider employment and environmental objectives, or with local planning and social considerations. I hope that the local authorities, working with the hon. Gentleman, will be able to argue those points strongly so that we can reach an agreed conclusion on the development of that important site.

Trident

4. **Mr. Collins:** To ask the Secretary of State for Defence if he will make a statement on the future of the Trident programme. [6510]

The Secretary of State for Defence (Mr. George Robertson): We will retain Trident to provide a minimum credible deterrent while pressing for the verifiable global elimination of nuclear weapons.

Mr. Collins: Will the Secretary of State clarify his ambiguous comments in *The Daily Telegraph* last week? Will he commit himself and the Government to deploy the same number of Trident submarines, Trident missiles and Trident warheads as the previous Government?

Mr. Robertson: There is nothing ambiguous about what I say. We will deploy only the minimum number of warheads required for credible deterrence in current circumstances in our Trident submarines. If the circumstances allow reductions in the size of our capabilities, we will be prepared to make them, while ensuring that we retain an effective deterrent.

Mrs. Gilroy: Does the Secretary of State recall the commitment given to retaining Trident—[HON. MEMBERS: "Reading."]—while working for global disarmament clearly given in our manifesto and in "The Road to the Manifesto" and endorsed and ratified by the whole of the party? As it is a matter of considerable concern to constituents in Plymouth, Sutton, can he now confirm that the retention of Trident will not be a matter for the current defence review?

Madam Speaker: Before I call the Secretary of State, may I remind the House that we do not read parliamentary questions? This is why barracking comes from various parts of the House when this happens; it is quite unnecessary. I have said a number of times that Members should not read questions. I am sure that, during lunchtime, the questions can be worked out so that there is not always a need to refer to notes.

Mr. Robertson: I think some of the barracking comes from the guilty conscience of a group of people who do not seem to recognise that, when one makes promises in an election manifesto, one is expected to keep them—but that is why they are on the Opposition Benches now, not the Government Benches.

My hon. Friend represents an area where there is a keen interest in that issue and she is right to raise it in the House. We made a specific commitment, not just in our manifesto but in the draft document put to party members last year, to retain Trident as the basic minimum deterrent for this country. The Labour party has every intention of keeping to the promises that it made.

NATO Enlargement

5. **Liz Blackman:** To ask the Secretary of State for Defence if he will make a statement on progress towards NATO enlargement. [6511]

Mr. George Robertson: Last week's NATO summit decided to invite the Czech Republic, Hungary and Poland to begin accession talks. The alliance expects to extend further invitations in coming years to nations willing and able to assume the responsibilities and obligations of membership and as NATO determines that the inclusion of those nations would serve the overall political and strategic interests of the alliance and that the inclusion would enhance overall European security and stability.

Liz Blackman: I thank my right hon. Friend for his answer. Given that NATO membership, once granted, is irreversible, does he agree that it is vital that we manage the expectations of future applicants carefully and that NATO retains control over future enlargement?

Mr. Robertson: My hon. Friend makes a valid and practical point: once NATO membership has been granted, it is an irreversible fact. As we made clear at last week's NATO summit in Madrid, NATO is a military alliance, not a political club. That has been the key to its success over the past 48 years and it is one of the main reasons why so many European countries want to become members. In the long run, further NATO enlargement will serve the interests of the alliance and this country, but decisions on candidates cannot be a matter for short-termism, politics or the pursuit of national agendas. It is a matter of acute importance, and the alliance's military effectiveness is what matters to all of us.

Sir Peter Emery: First, will the right hon. Gentleman ensure that, to show our friendship towards those three countries, Britain will take a leading role and perhaps be the first to sign the protocol which will appear in October and the ratification in due course? Secondly, those three countries are only observers to the North Atlantic Assembly, which is the political wing of NATO. Will he advise assembly members now to admit them as full members?

Mr. Robertson: I thank the right hon. Gentleman for his helpful remarks. This is not a partisan issue and I hope that the whole House agrees that last week's membership invitation to the three countries was in the interests of the alliance and that it will be applauded throughout the House. The chairman of the North Atlantic Assembly, Senator Roth, addressed last week's summit and was strongly applauded for his point of view about the importance of maintaining the parliamentary connection with the North Atlantic Assembly over the years. It is not a matter for the Government whether the new applicant members will be instantly admitted to the North Atlantic Assembly. I dare say that the assembly itself would want to make that decision.

I hope that this country will be among the first to ratify, once the protocols have been agreed by the three countries. As the Prime Minister said last week, the House will first want an opportunity to debate that matter.

Ms Squire: I welcome the agreement on NATO enlargement that was reached at last week's summit and

pay tribute to the part the Secretary of State played in it. Does he agree that it was also significant that enlargement was welcomed by the President of Ukraine and that, with the charter on co-operation and consultation recently drawn up with Ukraine and the NATO-Russia Founding Act it is a significant development in the promotion of stability and security in Europe?

Mr. Robertson: I strongly agree with my hon. Friend. In many ways, last week's summit will go down in history as the defining moment for those of us in Europe who have lived for the day when tension would be reduced and security enhanced. We are not talking about a small enlargement; three countries will be admitted to the alliance if the invitation is taken up. It is the biggest expansion of the alliance so far. As my hon. Friend said, side by side with that development into former Warsaw pact territory is the new agreement signed with the Ukraine and the NATO-Russia Founding Act, which was signed only a few weeks before in Paris. We live today in more secure and certain times than any other generation since the second world war.

Sir George Young: The House will recall that, when the Prime Minister made a statement about NATO enlargement last week, he was pressed on the issue of cost several times.

Mr. MacShane: Reading.

Madam Speaker: Order. It is in order for those at the Dispatch Box to read. The hon. Member for Rotherham (Mr. MacShane) has been here long enough to know that.

Sir George Young: Does the Secretary of State recall the Prime Minister's assertion on that occasion? He said that he saw

"no reason . . . why there should be a real-terms increase in NATO expenditure at all".—[*Official Report*, 9 July 1997; Vol. 297, c. 945.]

The Secretary of State has just described the process as the biggest ever expansion of NATO. Upon reflection, would he like to qualify the Prime Minister's assertion?

Mr. Robertson: The right hon. Gentleman really should know better. The burden of cost associated with expanding the alliance will come largely from the three new member countries because they will be expected to bear the infrastructure burdens that will be created. It is much too early to establish the full costs now, but the Government believe that they will be manageable within existing budgets. We shall see what happens in due course. In any event, that issue would not have been a moderating influence on the decision, which was taken for reasons other than cost.

At present, Britain's net annual contribution to NATO in the civil, military and infrastructure fields is about £155 million—which is rather less than 1 per cent. of the total defence budget. I see no reason why that figure should rise significantly in real terms.

Mr. Skinner: In the old days, we used to call for the disbanding of NATO and the Warsaw pact. Is it not odd that, now that three former Warsaw pact countries have jumped on the NATO bandwagon and another half dozen countries want to join the queue, British taxpayers have to pay more money to enlarge NATO when our supposed enemies are enemies no more? The truth is that there will be an additional cost, which my right hon. Friend said would be borne "largely"—I think that that is the word he used—by the new member countries. That means that, despite the expansion, those countries will cost the British taxpayer more money.

Mr. Robertson: I know that my hon. Friend agrees that the robust defence of this nation is imperative. Our championing of that cause is one of the reasons we have done so well and why the crowd opposite were slung out of office. The Warsaw pact has gone, partly because of the collective security and defence policies for which NATO has stood over the years. We believe in collective defence and collective security, and the expansion of NATO will provide a degree of certainty for future generations.

Strategic Defence Review

6. **Mr. Spring:** To ask the Secretary of State for Defence when he expects to have completed his strategic defence review; and if he will make a statement. [6512]

Mr. George Robertson: I expect the work of the strategic defence review to be completed around the turn of the year.

Mr. Spring: In view of the importance of the strategic defence review and the uncertainty that it is causing both to our armed forces and to our procurement industries, I hope that it will be completed by no later than the end of the year. However, how does the right hon. Gentleman's assertion fit with the Treasury's comprehensive spending review, which is due to be completed only in the spring?

Mr. Robertson: It takes special brass neck and cheek for a Conservative Member to get up and talk about the uncertainty caused by our defence review. The Conservatives were slung out of office because, without conducting any strategic defence review, they cut the defence budget and cut manpower by more than one third in the past five years. We will not take any lessons from them.

The country welcomes the idea of taking a position, having a vision for our armed forces and establishing the country's priorities sensibly. We will complete the review by the turn of the year and it will also be the comprehensive spending review for our Department.

Mr. Dalyell: In the strategic review, will account be taken of the safety of our forces, given the all too likely retaliation by the Serbs following the SAS operation? If there are to be any more such operations, would not it be wise to talk to the Russians first?

Mr. Robertson: The safety of our troops and, indeed, of other British citizens serving in the former Yugoslavia, was one of our principal concerns before any decision was taken about serving indictments on those accused of war crimes. We made that clear beforehand and we have made it clear subsequently. We regard that obligation as absolutely paramount.

The exercise conducted last week by NATO troops, with British stabilisation force troops in the vanguard, revitalised the Dayton process by bringing to justice the people accused of those terrible crimes. We have acted not just for the future of Bosnia but for future standards of conduct in the world.

Sir George Young: Are not the Government running a serious risk of getting into a muddle with two separate reviews? The Secretary of State's departmental review, which he hopes to complete by the end of the year, is foreign policy led and has scarcely any reference to resources, whereas the Treasury review, which will last a year, is Treasury led. If the Secretary of State thinks that he will complete his review by the end of the year and secure Treasury consent before the Treasury has completed its fundamental expenditure review, he is misleading himself. Will not the Treasury outgun his review?

Mr. Robertson: No, because we do not operate like the previous Government. I said that we expect to complete the strategic defence review by the turn of the year. We are conducting it quickly enough to avoid the uncertainties and instabilities caused by the previous Government's savage cuts, but we will also take enough time to ensure that we do it properly and sensibly. That review will take the place of Ministry of Defence spending plans, and will offer certainty and vision to those who serve this country and its armed forces, for which they have been yearning over the past decade.

Ann Clwyd: Given the Government's clear commitment to human rights, will my right hon. Friend review the procedures whereby army officers from countries with appalling human rights records are invited to buy arms at arms fairs in this country? Will he withdraw the invitation to three Indonesian generals, who were apparently invited by the previous Government to an arms fair in the United Kingdom in September?

Mr. Robertson: We are always careful whom we invite to this country and about what we sell them. A major review is under way into the United Kingdom's defence sales. I hope that when my hon. Friend sees the results of that review, she will applaud it.

Rents (Married Quarters)

8. **Mr. Brazier:** To ask the Secretary of State for Defence what discussions he has had with the armed forces pay review body on the subject of rents for married quarters. [6514]

Dr. Reid: My right hon. Friend the Secretary of State for Defence has had no recent discussions with the armed forces pay review body on the subject of rents for married quarters. However, my Department will, as normal, be submitting evidence for the review body's annual assessment of charges.

Mr. Brazier: Does the Minister agree that, in this time of overstretch in the armed forces, the maintenance of families within their communities is a particular priority, especially in the Army? Does he further accept that there is considerable concern among many Army families that the AFPRB wants to link rents to two thirds of civilian mortgage payments, bearing it in mind that mortgage payments lead to the ownership of a house? Finally, does he agree that there is a strong case for persuading the AFPRB that, in striking a balance between pay, allowances and rents, at least within those forces that have an accompanied service policy, encouragement should be given to the wives and families who make the sacrifice of travelling with their husbands as part of the service community?

Dr. Reid: This is an extremely complex subject, in which the hon. Gentleman has a great deal of expertise. I have read his letter and pamphlet. He may be surprised to learn that I find many of his points pertinent, and one or two of them persuasive. I have therefore instructed my officials to give me advice. When they have done so, perhaps the hon. Gentleman would care to discuss the matter with me in the Ministry of Defence.

Defence Procurement Budget

9. **Mr. Burns:** To ask the Secretary of State for Defence if he will make a statement on current expenditure on the defence procurement budget. [6515]

Mr. Spellar: In the current financial year, we expect to spend about £9 billion on defence equipment.

Mr. Burns: Does the Minister accept that hundreds of thousands of jobs rely on the defence procurement budget, including several thousand such jobs in my constituency, Chelmsford, West? Is the Minister aware of the growing concern that as the strategic review is Treasury driven, the defence procurement budget is at great risk? Will he reassure my constituents and others who work in the defence industries throughout the country that during the life of this Parliament there will be no real-terms cut in the defence procurement budget, and that our armed forces will get the best equipment to enable them to protect the realm?

Mr. Spellar: The hon. Gentleman may not have read out that question but it is certainly one that he prepared earlier, before he heard the response of my right hon. Friend the Secretary of State on the levels of defence spending of the previous Government. Uncertainty arose in the defence industry because of the huge cuts made by the previous Government.

First, it has been made clear that the defence review is foreign policy led, not Treasury led. Secondly, in a well-known article in *The Daily Telegraph* before the general election, my right hon. Friend the Prime Minister gave a commitment to the maintenance of the defence budget for the next two years. Thirdly, we have made it clear that during the strategic defence review there will not be a moratorium on equipment provision. We shall, of course, have to consider our equipment disposition after the review, given the needs of the country. We wish only that the previous Government had examined procurement requirements and the proper overall strategic needs of the United Kingdom, rather than engaging in ramshackle cutting.

Mr. McAllion: Will my hon. Friend tell the House by which month the decision whether to buy seven Trident

missiles from the United States in US fiscal year 1998 will have to be taken? If the decision is taken to purchase these missiles, will he confirm that the cost will be about £89 million at current exchange rates? Will he explain why the decision cannot be postponed until the end of the strategic review, thereby keeping open at least the prospect of saving a substantial sum of public money?

Mr. Spellar: Again, I would have hoped that my hon. Friend had listened to the comments of my right hon. Friend the Secretary of State for Defence about Trident and our need to maintain the minimum deterrent. We shall obviously carry out an evaluation during the defence review.

Mr. Key: Of course we are all interested in stability in the armed forces procurement programme. That being so, why did the Government confirm on Thursday, in answer to a planted question, that defence procurement projects already on contract are being considered as part of the defence review and are therefore subject to cancellation by the Treasury? Such projects must include the Eurofighter, EH101, Apache and others. Is the Minister able to name one procurement project that he can guarantee will not be cancelled?

Mr. Spellar: I am extremely surprised that the Conservative party is reverting to the position that it took before the election and trying to create unnecessary alarm. I shall read the answer to which the hon. Gentleman referred. It stated that

"during the review there will be no moratorium and projects where contracts have already been placed will continue."

The hon. Gentleman should have read out the whole answer, instead of only the part that suited his political purposes. The key point in that answer is that

"projects where contracts have already been placed will continue. Decisions on major equipment programmes not yet under contract will be considered on their individual circumstances".—[*Official Report*, 10 July 1997; Vol. 297, c. *531*.]

That applies to all Governments who carry out defence reviews.

Joint Projects (French Armed Forces)

10. **Mr. MacShane:** To ask the Secretary of State for Defence if he will list the joint projects currently undertaken with the French armed forces; and if he will make a statement. [6516]

Dr. Reid: Today, on Bastille day, I am delighted to say that defence co-operation with the French armed forces is extensive, both bilaterally and multilaterally. As my hon. Friend knows, the joint projects that we have with the French are too numerous for me to list here today.

Mr. MacShane: I am grateful to the Minister for his reply. Is he aware that a year ago British warplanes flew over the Champs Elysées to salute the new Labour values of liberty, equality and fraternity? Does he agree that for three reasons—co-operation on the ground in Bosnia, procurement to create an effective European arms industry and, most important, ensuring that France plays a full and integrated role in the North Atlantic alliance and in European defence matters—Britain and France must co-operate as fully in the future as we have in the past?

Dr. Reid: Yes, indeed. That co-operation will be taken further on Wednesday when my right hon. Friend the Secretary of State for Defence meets Mr. Alain Richard. I am glad to reassure my hon. Friend that military co-operation with our French allies is as wide as ever, whether it be on the ground in Bosnia, over the skies of Iraq, through the many joint activities with the Royal Navy or through the procurement of the common new-generation frigate. Although there is no United Kingdom participation in the Bastille day parade, we are reciprocating last year's invitation in that we have invited the French air force, under the auspices of the Franco-British European air group, to participate in this year's Lord Mayor's show on 8 November. We look forward to developing even further our mutual co-operation with our French allies.

Mr. Sayeed: If NATO were required to defend Hungary, French forces would be involved. Will the Minister explain how NATO would defend Hungary if it were attacked? Hungary is surrounded by non-NATO members with large armed forces.

Dr. Reid: I am not entirely sure what that has to do with French integration into NATO. However, I assure the hon. Gentleman that all states that become members of NATO enter as full members, so the treaty obligations for the defence of any of those members apply to all the other members, and this country will carry out its obligations.

Anti-personnel Land Mines

11. **Helen Jones:** To ask the Secretary of State for Defence what representations he has received in respect of his policy on anti–personnel land mines. [6517]

Mr. George Robertson: I have reviewed a wide range of representations welcoming the Government's policy on anti-personnel land mines.

Helen Jones: I thank my right hon. Friend for his reply. Will he reassure my constituents who have written to me on this matter that the exceptional use of land mines will be confined largely to circumstances in which the lives of British troops are at risk? Will he also reassure the House that if such land mines were to be used, we would de-mine those areas after hostilities had ceased?

Mr. Robertson: My hon. Friend is absolutely right. The exceptional circumstances in which the military might ask for those instruments to be used would be limited. The decision would be taken by Ministers, and any such decision would be reported to Parliament. In such exceptional circumstances, all land mines would be plotted and would be taken up.

May I take this opportunity to clarify something that I said at Defence questions a month ago? I am advised that, contrary to my earlier understanding, it is not possible at present for my Department to say categorically that all anti-personnel land mines laid by Britain in the past were subsequently taken up. I now understand that

one mine laid in the Falklands is unaccounted for, and that a number were not removed after the Gulf conflict. We currently know of 12 mines that were left in Iraq, and my Department is trying urgently to establish the full facts.

Dr. Tonge: Will the Secretary of State again clarify the words "exceptional use"? Is he saying that, if a military commander wishes to use land mines, in the interests of the British armed forces, he will go to the right hon. Gentleman and his decision will have to be ratified by the House before he is allowed to use those mines? That seems a strange way of conducting a military campaign.

Mr. Robertson: I assure the hon. Lady that there is nothing unusual about it. We would agree to suspend our moratorium on the use of anti-personnel land mines only if we were satisfied that, in a specific operation, the security of our forces would be jeopardised without them. As in many other cases, the military commanders and chiefs of staff would come to Ministers to seek agreement. Parliament would not be ratifying the decision, but would be informed of it.

CHURCH COMMISSIONERS

Clergy Stipends and Pensions

36. **Sir Sydney Chapman:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, if he will make a statement on the annual amount and proportion of the Church Commissioners' revenue allocated to clergy stipends and pensions. [6500]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): In 1996, the commissioners' total expenditure on behalf of the Church was £136.2 million. Of that, £32.5 million, or 24 per cent., went on stipends, and £79.6 million, or 58 per cent., went on pensions for the clergy.

Sir Sydney Chapman: I thank the hon. Gentleman for his answer, and welcome the Church Commissioners' achievement in recreating a diversified and prospering asset base in order largely to meet the cost of clergy pensions and stipends. Will he confirm that the commissioners have also achieved the objective of having 50 per cent. or more of their funds in equities? Does not the recent movement of the stock markets augur well for the ability of the Church Commissioners to play an even greater part in meeting the cost of, in particular, clergy pensions in the next financial year?

Mr. Bell: I thank the hon. Gentleman for what he has said. He will know that, in 1996, the return on assets of some £3,000 million was 17 per cent. That was a good achievement on the part of the commissioners. Income last year was £145.8 million, and the year before that it was £137 million. I can confirm that 70 per cent. of the commissioners' stock exchange assets are in UK stocks and shares. The market is buoyant, the economy is doing well and there is every confidence in the future. That is good news for the Church, for those who rely on the Church and for anyone who wants to see just how well the Church Commissioners can invest their money.

Mr. Cohen: Did my hon. Friend note the silly and unreasonable court judgment that was reached at the end of last week—that clergymen do not have a terrestrial employer? It is recorded that water was once turned into wine, but not that hot air can be turned into wages. Will my hon. Friend assure us that the Church Commissioners will be a responsible employer on earth?

Mr. Bell: When I attended the Durham miners' gala on Saturday, my noble Friend Lord Dixon said that I was God's shop steward. The decision at the industrial tribunal last week related to the actual work of the clergy, and to whom the clergyman owed his duty in the cure of souls. It is not, however, for the Church Commissioners to involve themselves in the decisions of industrial tribunals. As I implied in my response to the hon. Member for Chipping Barnet (Sir S. Chapman), their work involves dealing with assets, and investment of those assets, in the interests of the Church.

Investment Income

37. **Mr. Simon Hughes:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what are the policies of the commissioners for maximising the investment income of the Church of England. [6501]

Mr. Stuart Bell: The commissioners are anxious not only to maximise investment income but to maximise the value of the assets themselves. As I said in response to an earlier question, the commissioners' portfolio has been repositioned. Of our stock exchange investments, we have 70 per cent. invested in United Kingdom shares; 10 per cent. in shares elsewhere; 11 per cent. in United Kingdom fixed interests; and a large portfolio of agricultural and other property.

Mr. Hughes: I thank the Minister and take this opportunity to welcome him to his new job and wish him well. The Church of England has performed a minor miracle in rescuing itself from some unwise investment decisions much more quickly than investors normally do. Has it addressed the Budget's implications for its investments and, in particular, the effect of the removal of tax credits on dividends, which must have a severe impact? If that reduces the Church's income, what will it do to persuade its earthly or other masters to take action in its interests in the coming year?

Mr. Bell: I am grateful to the hon. Gentleman for his kind comments. I have had discussions with the Church Commissioners on the removal of advance corporation tax to ascertain its impact in future years. We may make submissions to my right hon. Friend the Chancellor of the Exchequer.

Mr. Bayley: Does my hon. Friend agree that in the case of investment in land or in rights over land, such as shooting rights, a body such as the Church Commissioners should balance the maximisation of its income from those assets against other considerations, such as public access to that land?

Mr. Bell: I am grateful to my hon. Friend. It is always the intention of the Church Commissioners to maximise the value of their investments in relation both to income and to the value of the asset. Clearly, they must reconcile

that aim and the impetus of their investments with wider social considerations such as the one to which my hon. Friend refers.

Ethical Investments

38. **Mr. Baker:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what is the policy of the Church Commissioners in respect of ethical investments. [6502]

Mr. Stuart Bell: The hon. Gentleman might like to know that the Church Commissioners have pursued ethical investment policies for longer than anyone else. Way back in 1948, the Church gave the lead when apartheid became a statutory regime in South Africa, and it banned investment in companies that were dealing with South Africa. The hon. Gentleman will be pleased to know that I was at the Synod in York on Saturday where there was a useful and constructive debate on ethical investment. The Church Commissioners are concerned to balance and reconcile their duty to maximise their investments with ethical judgments from within the Church.

Mr. Baker: I am pleased that the issue is apparently being taken seriously by the Church Commissioners. Is the Minister aware that the commissioners are investing a seven-figure sum in a company called Monsanto, which is responsible for the production of the Agent Orange pesticide which led to an out-of-court settlement of $180 million? Is he further aware that the company had to pay a fine in New York because of misleading advertising which claimed that it was environmentally friendly? Is he also aware that the company is responsible for and is at the leading edge of genetic engineering, which some of us regard as playing God with the building blocks of life? Does the hon. Gentleman think that investment in that company is consistent with the tenets of Christianity, and will he take steps to disinvest in Monsanto?

Mr. Bell: The question of Agent Orange goes back to the Vietnam war in the 1970s. It would not be appropriate in the House to go into specific cases, but if the hon. Gentleman wishes to write to me on the matter, I shall consider it. There is constant dialogue between companies that are involved in various activities and the Church Commissioners. As a so-called guru of corporate governance in the Labour party, I am interested in looking at various codes of conduct and at ethical investment and in updating them, if that is needed. I want to be sure that we reconcile the Church's ethical criteria with its right and duty to maximise its income.

Ann Clwyd: As my hon. Friend knows, the Church Commissioners say that they do not invest in companies that deal mainly in arms. GEC is now the second largest producer of arms in this country and it is expanding its production. What is the cut-off point? What is the precise meaning of "mainly"?

Mr. Bell: I am grateful to my hon. Friend for her question. The Church of England's ethical investment working group, which includes a number of investing bodies and their staffs, has established contact with GEC, which has given assurances that it is in the business of defence-related equipment that is sold to the Government and to other NATO Governments. All of that is done under licence. The ethical investment working group and the commissioners continue to maintain close oversight on what companies are doing, where they are investing and their proposals. All investment decisions are taken after that close co-operation and in the light of companies' decisions.

Pensions

39. **Mr. Flynn:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what new proposals he has to improve the finances of the Church of England in relation to pensions. [6503]

Mr. Stuart Bell: We aim to maximise investment income and to secure an appreciation in the value of our assets. That is the best way in which to improve the finances of the Church of England in relation to pensions. That is the short answer to my hon. Friend. The longer answer is that, as he knows, earlier this year, the House approved a new pension scheme, which transfers the liability for future service pensions to dioceses for the majority of clergy. The commissioners will remain responsible for all past service pensions and for pension contributions into the new fund for some senior clergy whose stipends they meet directly.

Mr. Flynn: Recalling the financial turmoil that the Church was in when many clergymen left it because of the recognition of the priesthood of women, has my hon. Friend made any financial assessment of what might happen if there were another large exodus of such clergymen, following weekend reports that up to a third will refuse to take the Loyal Oath if the heir to the throne remarries?

Mr. Bell: We have not considered how many clergy may resign on that basis. A number of surveys were published at the weekend. The bishops declared most of them useless. Such hypothetical questions are not of great interest to the Church in the sense that its investments and the return of income are sound. We hope to continue on that course.

"Yesterday in Parliament"

3.30 pm

Mr. David Winnick (Walsall, North): On a point of order, Madam Speaker. I believe that you have on occasion expressed concern at the lack of media reporting of Parliament and, as hon. Members know, the press no longer report our proceedings. I should therefore like to draw your attention—because I believe that it is a matter of serious concern to the House—to the fact that it is widely reported that the BBC intends to drop "Yesterday in Parliament", replacing it, apparently, with some panel discussion. It would be extremely unfortunate if that report were true, and if a decision on those lines were taken soon. Would it be possible for you, as our Speaker, strongly to urge the BBC to reconsider any such move?

Decisions taken in the House affect millions of people outside. Those who listen to the programme—an audience, I understand, of well over 1 million in the morning—are surely entitled to know what went on during the previous day in the House of Commons and in the House of Lords. The broadcasting organisations at the time were very keen that this House should have broadcasting facilities, and, as we know, it has been in operation for some 19 years.

The BBC is a public service organisation—at times, of course, it gives the impression that it is nothing of the kind. It has a duty to continue to broadcast not only "Today in Parliament", but "Yesterday in Parliament". The people who run the BBC should not come to the view that what we do here is of no importance, that some panel discussion can take place, and that we should be satisfied with it.

Indeed, it is the public far more than ourselves who should decide whether they should be satisfied or not. There is a strong case that "Yesterday in Parliament", which, after all, a few years ago was drastically reduced in length, should continue. I hope that you agree, Madam Speaker, that that is the view that you would wish to express as the Speaker of the House of Commons.

Several hon. Members: Further to the point of order.

Madam Speaker: My goodness. I will take Sir Patrick Cormack first. We cannot have a debate on these matters. Members must put their point of order to me.

Sir Patrick Cormack (South Staffordshire): Thank you, Madam Speaker. You will, of course, remember that, last year, you were the guest of honour at the 50th anniversary of "Today in Parliament", which was held in the House. Therefore, would you, on behalf of the House and representing Members on both sides of the Chamber, at the very least express to the BBC how much importance we attach to those two programmes, and how greatly they are valued by our constituents?

Several hon. Members *rose—*

Madam Speaker: I will take one more point of order from either side of the Chamber. Mr. MacShane.

Mr. Denis MacShane (Rotherham): Is not the point about "Yesterday in Parliament" that it is the only direct connection between Parliament and the people that is not filtered by the distinguished cohort of scribblers, sketch boys, soundbiters and spin doctors who sit above you, Madam Speaker? Were it to be axed, frankly, I wonder whether the House's support for the continuation of publicly funded broadcasting in the form of the BBC would not take a serious knock. That worries me considerably.

Mr. Eric Forth (Bromley and Chislehurst): Further to that point of order, Madam Speaker. Is it not possible that the BBC's attitude has been influenced by the fact that, as Ministers now come to this House so rarely—and when they do, they do not answer our questions—covering the proceedings of the House, as the BBC has done for so many years, is a waste of its time, of taxpayers' money and, arguably, of the time of the House?

Madam Speaker: That is moving away from a serious point of order.

The concern expressed by hon. Members has been felt in all parts of the House. That concern is shared by millions of people; indeed, I share it myself.

The hon. Member for Walsall, North (Mr. Winnick) may wish to refer the matter to the Select Committee on National Heritage. Knowing the view of the House, I will certainly make representations to the BBC, on behalf of the House.

Mr. Winnick: Thank you very much, Madam Speaker.

Finance Bill (Allocation of Time)

3.35 pm

The Financial Secretary to the Treasury (Dawn Primarolo) *rose—*

Mr. Norman Baker (Lewes): On a point of order, Madam Speaker. I am sorry to interrupt the Minister, but I want to raise a serious matter.

Last Wednesday, I introduced a debate on freedom of information. I was given an assurance by the Parliamentary Secretary, Office of Public Service, that the Government would issue a White Paper very shortly and that it remained

"my right hon. Friend's intention to do this before the House rises in a few weeks' time."—[*Official Report*, 9 July 1997; Vol. 297, c. 907.]

Barely was that debate concluded than we heard through the media, not through the House, that there was no such intention. For reasons that are not clear, the proposal to publish a White Paper has now been delayed indefinitely yet again. Therefore, the information given to the House on Wednesday was incorrect.

Will you, Madam Speaker, require the Government to come to the House and correct that information, so that we know where we are with the legislation? Civil servants have been blamed for the delay, but some of us think that some part of the Government may be responsible.

Madam Speaker: I should be much obliged if the hon. Gentleman would give me an opportunity to look at the *Hansard* to which he referred, so that I can make myself familiar with the exchange that took place. I shall take appropriate action if I find that to be necessary.

Dawn Primarolo: I beg to move,

That the following provisions shall apply to the remaining proceedings on the Finance Bill:—

Committee of the whole House

1.—(1) The proceedings in Committee of the whole House shall be completed in two allotted days.

(2) The proceedings to be taken on each of those days shall be as shown in the second column, and shall be brought to a conclusion at the times specified in the third column, of the following Table:—

TABLE

Allotted day	*Proceedings*	*Time for conclusion of proceedings*
First day	Clause 1	7:00 p.m.
	Clause 15	10:00 p.m.
Second day	Clause 17	7:00 p.m.
	Clause 19	10:00 p.m.

(3) When the Order of the day is read for the House to resolve itself into a Committee on the Bill, the Speaker shall leave the chair without putting any Question and the House shall resolve itself into a Committee forthwith whether or not notice of an instruction to the Committee has been given; and Standing Order No. 66 (Committee of the whole House on bill) shall not apply.

(4) No Motion shall be made as to the order in which proceedings are to be considered in Committee of the whole House.

(5) Standing Order No. 82 (Business Committee) shall not apply in relation to the proceedings to which this paragraph applies.

Standing Committee

2.—(1) The Standing Committee to which the remainder of the Bill is allocated shall report the Bill not later than 23rd July.

(2) The Standing Committee shall have leave to sit twice on the first day on which it shall meet.

(3) Proceedings in the Standing Committee on 23rd July may continue until Ten o'clock whether or not the House is adjourned before that time, and if the House is adjourned before those proceedings have been brought to a conclusion, the Standing Committee shall report the Bill to the House on 24th July.

Report and Third Reading

3.—(1) Proceedings on consideration and Third Reading shall be completed in two allotted days and shall be brought to a conclusion at Ten o'clock on the second of those days.

(2) The Third Reading may be proceeded with at the conclusion of the proceedings on consideration, notwithstanding the practice of the House as to the interval between stages of a Bill brought in on Ways and Means resolutions.

Business Committee

4.—(1) For the purposes of Standing Order No. 82 (Business Committee) paragraph 3 of this Order shall be taken to allot to the proceedings on consideration such part of the allotted days as the Resolution of the Business Committee may determine.

(2) The Business Committee shall report to the House its Resolution as to the proceedings on consideration of the Bill, and as to the allocation of time between those proceedings and proceedings on Third Reading, not later than 25th July.

(3) Any resolution of the Business Committee may be varied by a further Report of the Committee under Standing Order No. 82, whether before or after the date on which the Committee is to report under this paragraph and whether or not that Resolution has been agreed to by the House.

(4) No Motion shall be made as to the order in which proceedings are to be taken on consideration, but the Resolutions of the Business Committee may include alterations to that order.

Procedure in Standing Committee

5.—(1) At a sitting of the Standing Committee at which any proceedings on the Bill are to be brought to a conclusion under a Resolution of the Business Sub-Committee, the Chairman shall not adjourn the Committee under any Order relating to the sittings of the Committee until those proceedings have been brought to a conclusion.

(2) No Motion shall be made in the Standing Committee relating to the sitting of the Committee except by a Minister of the Crown, and the Chairman shall permit a brief explanatory statement from the Member who moves, and from a Member who opposes, the Motion, and shall then put the Question thereon.

(3) No Motion shall be made as to the order in which proceedings are to be considered in the Standing Committee, but the Resolutions of the Business Sub-Committee may include alterations in that order.

Report of proceedings in Committee

6. On the conclusion of the proceedings in any Committee on the Bill, the Chairman shall report such of the Bill's provisions as were committed (or re-committed) to that Committee to the House without putting any Question.

Dilatory Motions

7. No dilatory Motion with respect to, or in the course of proceedings on, the Bill shall be made in the Standing Committee or on an allotted day except by a Minister of the Crown; and the Question on any such Motion shall be put forthwith.

Exempted business

8. On an allotted day paragraph (1) of Standing Order No. 15 (Exempted business) shall not apply by virtue of paragraph (a) of that paragraph to any proceedings on the Bill after the conclusion of all the proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion on that day.

Private business

9.—(1) Any private business which has been set down for consideration at Seven o'clock on an allotted day shall, instead of being considered as provided by Standing Orders, be considered at the conclusion of the proceedings on the Bill on that day.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to the private business for a period of three hours from the conclusion of the proceedings on the Bill or, if those proceedings are concluded before Ten o'clock, for a period equal to the time elapsing between Seven o'clock and the conclusion of those proceedings.

Conclusion of proceedings

10. For the purpose of bringing to a conclusion any proceedings which are to be brought to a conclusion at a time appointed by this Order or a Resolution of the Business Committee or the Business Sub-Committee and which have not previously been brought to a conclusion, the Chairman or the Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed (including, in the case of a new Clause or new Schedule which has been read a second time, whether before the time so appointed or in pursuance of paragraph (a), the Question that the Clause or Schedule, or the Clause or Schedule as amended, be added to the Bill);

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded;

and on a Motion so made for a new Clause or new Schedule, the Chairman or the Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

11.—(1) Proceedings under paragraph 10 of this Order shall not be interrupted under any Standing Order relating to the sittings of the House.

(2) If an allotted day is one on which a Motion for the adjournment of the House under Standing Order No. 24 (Adjournment on specific and important matter that should have urgent consideration) would, apart from this Order, stand over to Seven o'clock and proceedings to which this Order applies have begun before that time—

(a) that Motion shall stand over until the conclusion of any proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion at or before that time;

(b) the bringing to a conclusion of any proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion after that time shall be postponed for a period equal to the duration of the proceedings on that Motion.

(3) If an allotted day is one to which a Motion for the adjournment of the House under Standing Order No. 24 stands over from an earlier day, the bringing to a conclusion of any proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion on that day shall be postponed for a period equal to the duration of the proceedings on that Motion.

Supplemental orders

12.—(1) The proceedings on any Motion made in the House by a Minister of the Crown for varying or supplementing the provisions of this Order (including anything which might have been the subject of a report of the Business Committee or the Business Sub-Committee) shall, if not previously concluded, be brought to a conclusion one hour after they have been commenced.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

(3) If on an allotted day on which any proceedings on the Bill are to be brought to a conclusion at a time appointed by this Order or a Resolution of the Business Committee the House is adjourned, or the sitting is suspended, before that time no notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

Saving

13. Nothing in this Order or a Resolution of the Business Committee or the Business Sub-Committee shall—

(a) prevent any proceedings to which the Order or Resolution applies from being taken or completed earlier than is required by the Order or Resolution; or

(b) prevent any business (whether on the Bill or not) from being proceeded with on any day after the completion of all such proceedings on the Bill as are to be taken on that day.

Recommittal

14.—(1). References in this Order to proceedings on consideration or proceedings on Third Reading include references to proceedings at those stages respectively, for, on or in consequence of, recommittal.

(2) On an allotted day no debate shall be permitted on any Motion to recommit the Bill (whether as a whole or otherwise), and the Speaker shall put forthwith any Question necessary to dispose of the Motion, including the Question on any amendment moved to the Question.

Interpretation

15. In this Order—

"allotted day" means any day (other than a Friday) on which the Bill is put down as first Government Order of the Day, provided that a Motion for allotting time to the proceedings on the Bill to be taken on that day either has been agreed on a previous day, or is set down for consideration on that day;

"the Bill" means the Finance Bill;

"Resolution of the Business Committee" means a Resolution of the Business Committee as agreed to by the House; and

"Resolution of the Business Sub-Committee" means a Resolution of the Business Sub-Committee as agreed to by the Standing Committee.

It is regrettable that we should have to move this motion, but I make absolutely no apology for doing so. I will explain the reasoning behind it, because it is important that not only the House but people outside understand what is at stake and why it is vital that the Finance Bill be on the statute book before the summer recess.

The Budget represents the people's priorities, and the guillotine motion is necessary to protect those priorities. The British people voted for a cut in VAT on fuel to 5 per cent., and the Finance Bill cuts VAT on fuel to 5 per cent. We promised that the cut would be in time for winter bills, and this Finance Bill introduces it by 1 September. The British people voted for a windfall levy on the excess profits of the privatised utilities to help us to move people

back into work. They voted for this Government because we said that education would be our No. 1 priority, and we meant it—£1.3 billion from the windfall levy will be used to rebuild our crumbling schools.

We are as keen as anyone to ensure that the provisions of the Finance Bill are properly aired and scrutinised, both within this House and beyond. It was possible to reach an agreement through the usual channels on the number of days to be allocated to the Budget debate. It was possible to reach agreement through the usual channels on the start date for the Committee stage. It was also possible to reach agreement through the usual channels on the size of the Standing Committee, and to agree the Opposition's request on what it should be. Unfortunately, it was not possible to reach agreement through the usual channels on the timing of the Committee stage.

We asked the Opposition what they wanted, but they could not tell us, and were not prepared to discuss the matter. It was therefore not possible to agree on an end date for the Committee stage. Such a result is highly regrettable, but it leaves the Government with no choice but to act responsibly in ensuring that—as soon as reasonably possible in the financial year—taxpayers are certain where they stand. It is in absolutely no one's interest that uncertainty over the precise terms of tax legislation should continue into the autumn.

I do not need to remind hon. Members that we are already more than a quarter of the way through the current financial year, or that, if the motion is adopted, almost one third of the financial year will have elapsed before the Bill is enacted. Any risk of delay into the autumn would be grossly unfair to taxpayers, who might not know precisely where they stand when they are more than halfway through the financial year.

Uncertainty might, of course, be a price worth paying if it were absolutely necessary to ensure that the measures in the Bill were properly scrutinised. It is not at all necessary, however, to keep taxpayers in a state of suspense by risking delay into the autumn. Furthermore, our Finance Bill will receive more generous scrutiny than that provided by the previous Government.

We have ensured that the four main issues that the Opposition wanted to be debated on the Floor of the House will be debated on the Floor of the House. Last Thursday, we even assisted the Opposition in amending their own motion, so that it was absolutely correct.

We have, moreover, provided two entire days for debate in Committee on the Floor of the House. That is the same amount of time that the previous Government allowed for their 1996–97 Finance Bill, which had twice as many clauses as our Bill, and for their 1995–96 Finance Bill, which had almost four times as many clauses as our Bill.

The Standing Committee considering the Finance Bill will be able to meet for five days. Earlier this year, a Standing Committee had nine days to consider the previous Government's Finance Bill, which had twice as many clauses as our Finance Bill. Therefore, we are being rather more generous with Committee time than the previous Government.

Mr. Edward Garnier (Harborough): On today's Order Paper, the Minister will see that the second day of debate on the Finance Bill will be devoted to clauses 17 and 19. Clause 19 deals with pension fund tax credits. As she has told us that the public voted for the Budget and for the consequent Finance Bill, will she tell me, please, where I might find reference in the Labour party's manifesto to pension fund tax credits?

Dawn Primarolo: The hon. and learned Gentleman confirms the point that I was just making—that the Opposition have tabled for debate the issues that they consider to be very important. Those debates will be held on the Floor of the House. The previous Government's Finance Bills enacted full Budgets, and were introduced on the back of an amendment of the law resolution, which allowed for a wide-ranging review of financial matters.

Mr. Eric Forth (Bromley and Chislehurst): Will the Minister give way?

Mr. Garnier: On a point of order, Madam Speaker. I wonder whether you would check the loudspeaker arrangements? I am not at all sure that the Minister heard my question. From her answer, she either was not listening or is wilfully refusing to answer my question.

Madam Speaker: That is hardly a point of order for me. I am not responsible for the statements of Ministers. They are responsible for their own comments.

Dawn Primarolo: As I said, the previous Government's Finance Bills enacted full Budgets, and were introduced on the back of an amendment of the law resolution, which allowed for a wide-ranging review of financial matters. Consistent with the approach adopted by previous Administrations in post-election Budgets, in 1983 and 1987, the specific legislative measures in our Financial Bill are more narrowly focused, without requiring an amendment of the law resolution.

Mr. Forth *rose—*

Dawn Primarolo: I shall finish this point and then give way to the right hon. Gentleman.

We might therefore, with some justification, have shortened the time for debate. Instead, as I have already explained, we gave four days to the Budget debate, the same time in Committee on the Floor of the House and, pro rata, more time in Standing Committee than the previous Administration gave for a full Finance Bill. That is ample opportunity to scrutinise the Bill.

Mr. Forth: Given that the hon. Lady has rested her argument firmly on people's expectations, which is why the Bill has to be rushed through the House, will she please explain the expectations and urgency of people with pensions to see their pension position worsened? Will she also answer the question asked by my hon. and learned Friend the Member for Harborough (Mr. Garnier) about the absence of any reference to the pension provisions in the Labour party's manifesto?

Dawn Primarolo: I am sure that the right hon. Gentleman will agree that what is important is certainty, and that the taxpayer knows what the tax legislation is. The uncertainty caused for taxpayers by delaying until the autumn would be unacceptable. Delay would also prevent the Government's mandate from being enacted.

Mr. Peter Viggers (Gosport): The Minister is making great play of the need for certainty, but surely she realises

[Mr. Peter Viggers]

that, if she rushes the Budget provisions through the House, uncertainty will follow. It is not Members of Parliament who need to debate but the world outside which needs to comment and think through the implications of the Budget.

On the matter of foreign income dividends, it has been necessary for the Paymaster General effectively to recant on part of the Budget already, and say:

"We are also looking sympathetically at the position of UK-based groups with a substantial amount of foreign income."—[*Official Report*, 4 July 1997; Vol. 297, c. 586.]

The Budget is being rushed through so fast that it has not been possible for the Government to take into account even the representations made so far.

Dawn Primarolo: I realise that it is difficult for the Opposition; opposition is very difficult without the resources of the civil service to assist, but the fact is that the Bill is not being rushed. As I am explaining, adequate time is being provided to scrutinise the Bill. Opposition Members would do well to acknowledge that.

Mr. Quentin Davies (Grantham and Stamford): Does the hon. Lady accept that an essential aspect of parliamentary scrutiny of any Bill is the ability of outside bodies—in this case, taxpayers' representatives, and taxpayers themselves—to respond to a Bill when it is published in draft form? It is vital that those of us considering the Bill on the Floor of the House or in Committee should be aware of the response of outside bodies. As the Bill was published only a week ago today, thus artificially foreshortening the process, it has been impossible for outsiders to consider carefully the import of the various proposals, which is necessary if we are to have an informed debate in Committee.

Dawn Primarolo: That is simply not the case. In 1979, the new Conservative Government held the Second Reading six days after publication of the Bill. We published our Bill in draft form six days before Second Reading.

Mr. Dennis Skinner (Bolsover): I have listened to these Tory Members of Parliament today and last Thursday speaking about the Bill and the arrangements for debate. I find it very odd that, a few years ago in the last Parliament when the Tories had a majority, they introduced what were known as the Jopling recommendations. One of those recommendations was that guillotines would be a matter of course.

Some of us warned the Tories that, when they got into opposition, they would regret the day that they walked through the Lobbies to get those recommendations through. I would like my hon. Friend to use the help that she has on the Front Bench to find out how many of the Tories who are yapping today about wanting more time went into the Lobbies to vote for the Jopling recommendations to cut out debate.

Dawn Primarolo: I understand that my hon. Friend was against those recommendations. He is entitled to complain. Conservative Members are not, because they supported them. When the shadow Leader of the House was Under-Secretary of State for Social Security, she said during a guillotine debate that she regretted having to introduce the timetable motion—as we certainly do—but continued:

"However, it is important for the smooth conduct of both the remaining stages of the Bill and parliamentary business as a whole. I commend it to the House."—[*Official Report*, 9 July 1990; Vol. 176, c. 78.]

I am doing exactly the same today. It ill behoves Conservative Members who spoke on and voted for guillotine motions when their legislation was going through the House to attack the Government now.

Sir Peter Emery (East Devon) *rose*—

Dawn Primarolo: I have taken many interventions, and I shall give way to the right hon. Gentleman later, but I want to make some progress first.

I assure the House that the Government will pay close attention to the views of the Opposition when the Business Sub-Committee of the Standing Committee on the Finance Bill meets to discuss the passage of the Bill through Committee. The process will ensure that the Committee directs its attention to those areas of the Bill that merit it.

Our efforts to ensure that the Bill is properly scrutinised by the House and by those outside did not end with the agreements with the Opposition. We published the Bill in draft ahead of its formal publication, so that the full details of our proposals could be scrutinised by hon. Members and those outside as soon as possible. It has been possible to table amendments since last Monday evening—even before Second Reading.

Sir Peter Emery: Perhaps the hon. Lady will consult the Leader of the House, who is sitting next to her, about the aims of the Business Sub-Committee. Following on from what the hon. Member for Bolsover (Mr. Skinner) said, when there is a timetable, should not all sections of a Bill have adequate time to be debated? How is it possible for 15 major parts of a Bill—with many, many more paragraphs—and eight schedules to be properly and adequately debated in a Committee that it is suggested will meet for only five days?

That is nonsense, and it makes nonsense of any suggestion of meeting the Jopling recommendations, or even the proposals being put forward by the Leader of the House to the Select Committee on Modernisation of the House of Commons.

Dawn Primarolo: It is the job of the Business Sub-Committee of the Finance Bill Standing Committee to ensure that those parts of the Bill that need to be debated are adequately debated. We have provided adequate time in the guillotine motion for the scrutiny of the Bill. The right hon. Gentleman spoke in favour of the allocation of time for parliamentary debates in 1992. Presumably he favours the measure, to ensure the smooth running of the business of the House, and will support us today.

Mr. Richard Shepherd (Aldridge–Brownhills) *rose*—

Dawn Primarolo: This must be the last time.

Mr. Shepherd: By what process of divination has the hon. Lady come to the conclusion that the debate on

pension funds and tax credits need last only slightly more than two and a half hours? The proposals are of concern to many Members of Parliament and their local authorities. What was the rationale behind providing for such a limited debate?

Dawn Primarolo: There is plenty of time in Committee, and it is the Opposition's choice as to how much time is available.

In 1993, when the previous Government guillotined the Social Security (Contributions) Bill and Statutory Sick Pay Bill to complete all their stages in one day, I do not recall that Conservative Members protested with such vigour as they are now apparently doing today.

Mr. Bernard Jenkin (North Essex) *rose—*

Dawn Primarolo: I have given way generously, and I must conclude soon, so that other hon. Members can participate in the debate.

The reason for the guillotine is certainty for the taxpayer. It will allow better consideration of the Bill, and will avoid the need to come back with a guillotine after the discussions have started. That could lead to greater problems when scrutinising the Bill.

In 1994, the Finance Bill was guillotined by the previous Government. The then Chief Secretary to the Treasury, Michael Portillo, who is no longer a Member of the House, said that the Bill could proceed through the House on only one of two bases—by agreement between the parties, or by guillotine. We could not get agreement from the Opposition. They want to prevent the Government from proceeding with their Finance Bill, simply because they cannot stand the prospect of a Government being elected and keeping their promises.

We have a clear mandate to act quickly to deal with the problems that the previous Government left us. We have a responsibility to give new hope and opportunity to young people, and to tackle Britain's economic problems for the sake of long-term prosperity. Conservative Members, when in government, delayed taking action to help the unemployed for too long. We have no intention of allowing them to delay us now, when they are in opposition.

We have provided adequate time in the motion for debate on the Finance Bill. We have made every effort to come to an agreement with the Opposition, but they have refused. They do not know what they want; they simply want to destroy the Bill.

I commend the motion to the House.

3.57 pm

Mrs. Gillian Shephard (South–West Norfolk): I have listened with care to what passed for arguments advanced by the Financial Secretary to the Treasury in support of the guillotine on the Finance Bill.

We of course agree that the Government of the day must be able to enact their legislation, just as the Opposition of the day must be able to oppose. May I dispel at once the ludicrous assertion that it was not possible for the Government to reach an agreement with the Opposition on the allocation of time? Discussions through the usual channels resulted, helpfully, in changes to the size of the Committee, and agreement on which clauses should be debated on the Floor of the House and in Standing Committee. That was correct and right. There was no discussion, however, on the allocation of time—merely a decision on the part of the Government that there should be a guillotine.

The House knows that an allocation of time order is, according to "Erskine May", the most

"extreme limit to which procedure goes in affirming the rights of the majority at the expense of the minorities of the House".

The House will also know from "Erskine May" that such an order is not usually moved

"until the rate of progress in committee has provided argument for its necessity."

Yet twice in the past seven weeks—twice in the short life of the Government—who are so given to preaching and hectoring the nation about the importance of consultation, consensus and partnership, they have found it necessary to move such an order. In this case, they announced their intention to do so before the Second Reading had even begun. But of course, this Government and these Ministers have already earned an unenviable reputation in the few short weeks since the election for a high-handed disdain towards the House and the parliamentary process.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I am highly delighted to hear the right hon. Lady quoting "Erskine May". As someone who seriously objects to the use of guillotines, I think that it is helpful when both Front-Bench teams are conscious of the needs of Back Benchers. If she seriously objects to guillotines and if the view that she is expressing is that of her colleagues, why did they move so many guillotine motions themselves?

Mrs. Shephard: We moved only two guillotine motions on the Finance Bill, which should reassure the hon. Lady—and there was an important difference when we used them. Mention has been made of the length of time between the Finance Bill's publication and the end of the Committee stage, during which financial institutions can make their representations. This Government have allowed 12 working days for that process; under successive Conservative Governments an average of 77 working days was allowed.

But, of course, the Government have a high-handed disdain for the House and the parliamentary process. Let us consider their record. They have limited Prime Minister's questions to one session a week. After last week's mauling from my right hon. Friend the Leader of the Opposition, the Prime Minister may well be wishing that he had abolished Prime Minister's questions altogether—no doubt, that is to come.

The Chancellor of the Exchequer announced to the outside world changes to the powers of the Bank of England without bothering to announce them to the House. More regrettably, he, or one of his colleagues, allegedly briefed the press on the contents of the Budget before announcing them to the House. The Leader of the House either cynically or incompetently arranged for the debate on the motion to take place at the same time as the Select Committee on Modernisation of the House of Commons is scheduled to meet. I am relieved to see that the right hon. Lady is in her place.

[Mrs. Shephard]

One would have thought that the Government attached sufficient importance to their Finance Bill not to wish to curtail its consideration. The Chancellor described his Budget as

"a people's Budget for Britain's future."—[*Official Report*, 2 July 1997; Vol. 297, c. 316.]

That is surely a portentous enough description for everyone. Curiously, when questioned on her proposal to limit debate on this epoch-making expression of new Labour in practice, the Leader of the House seemed to take a different view in business questions last week. She seemed to think that the importance of a Bill depended on its length. Curiously, that view was repeated today by the Financial Secretary. I suppose that, in their view, the Finance Bill is not really important or significant—it has just 50 or so clauses, so they might as well guillotine it. Have the right hon. and hon. Ladies no concept of the importance of the complexity of legislation? If not, it is worrying indeed that the Leader of the House is seeking to modernise the procedures of the House in order to improve scrutiny.

It can have been only with extreme reluctance that the Government decided that they needed to impose a guillotine. We know what they think about the use of guillotines. When in opposition, the present Home Secretary said:

"The timetable motion is an abuse of power. No one can deny the wish of a Government to secure progress for their business, but that must be balanced against the need for adequate debate and discussion of a measure . . . Guillotines can be justified only where an Opposition have filibustered a Bill, where they have refused all reasonable suggestions to agree a timetable, or where there is no possibility of the Government getting their business through with reasonable speed without a guillotine."—[*Official Report*, 1 February 1988; Vol. 126, c. 757.]

In the case of this Bill, there has been no filibustering and no refusal to agree a timetable, so why impose a guillotine? Clearly, one reason is the Government's incompetence. In just eight short weeks, they have demonstrated that management of the work of the House is beyond their ability. Given their contempt for the parliamentary process and their desire to make announcements, put on stunts, produce soundbites and organise photo opportunities—all outside the House—that is hardly surprising.

What is—or at least should be—surprising is that what the Government say about the importance of consensus, consultation and partnership is contradicted by what they do in practice. Consider what the Leader of the House said about the legislative process in her memorandum on the modernisation of the House:

"The quality of legislation can often be improved by consultation with informed opinion on both the substance and the drafting of legislative proposals."

We learned last week that, because it is short, the right hon. Lady thinks that the Bill is not that important; but even she should be able to perceive that its measures are complex. Even she, given the clearly expressed views in her own memorandum, should be able to see that it is precisely measures such as these that would benefit from the kind of consultation with informed opinion that she herself describes.

Perhaps I can make the right hon. and hon. Ladies understand, although that is sometimes a little difficult to do. Yes, the Government did agree to extend time for debate in the House and, yes, the Committee stage will extend over a number of days, but in this instance the point is that the Government's guillotine motion will give only 12 working days between the publication of the draft Bill—and that agreed only as a result of our representations—and the end of the Committee stage.

It is precisely that period, when the Bill has been published, that the financial institutions, the business community and other interests use to make their valuable input into the legislation and all in the interests of better law. That is the point.

It is indeed ironic that it is today that the Chancellor of the Duchy of Lancaster announced—to a press conference, I expect; certainly not to the House—the setting up at taxpayers' expense of vast focus groups to scrutinise Government legislation and give reaction to Government policy. I thought that that was what Parliament was for. For business and financial institutions, the Committee stage of the Finance Bill certainly performs that function.

In oral questions on 3 July, the House was treated to a patronising lecturette from the President of the Board of Trade on the importance she attaches—now—to partnership with business. We learned:

"Competitiveness must be improved by a partnership between government and business."—[*Official Report*, 3 July 1997; Vol. 297, c. 413.]

Quite so. Some of us on the Conservative Benches have been saying that for some time. All conversions are welcome, but I wonder how that particular change of view can be served by the Government's deliberate curtailment of business input into the Budget. What kind of partnership is that?

There is no problem among Conservative Members about the Government's stated desire to improve the quality of legislation and the openness and accountability of the workings of government. Where we do have a problem—and so, increasingly, do the public—lies in the fact that what the right hon. and hon. Ladies and their Government say bears no relation to what they do.

A more striking example of that than today's motion would be hard to find. Unlike the Ministers—and despite the fact that it is short—we do consider the proposals of the Finance Bill to be important. They propose 17 tax rises. They propose an attack on savings and pensions. They propose an attack—as yet unadmitted and uncosted, but nevertheless an attack—on local government spending. Worst of all, they threaten the flourishing economic inheritance handed to the Government by the previous Government—just ask any mortgage payer.

The Government have a large majority. Clearly they can force through any measure they wish, they can decide to curtail consultation time with companies and organisations outside this House, and they can hide behind their mandate. However, a responsible Government would not allow that to happen—they would recognise that the very size of their majority imposes a responsibility to ensure that all views are heard. They might even consider practising what they so piously preach, and Ministers might even begin to answer questions with a few facts, instead of using a variation on the theme, "We won the election—so what?" That was breathtakingly illustrated, yet again, by the Financial Secretary today.

There is no need for a guillotine motion. The Government have not tried to discuss an alternative way to proceed, and they thereby give the lie to their vaunted

claim of being a Government of partnership and consensus. They will and should be judged, not by what they say, but by what they do. We oppose the motion.

4.9 pm

Mr. Andrew Stunell (Hazel Grove): The Liberal Democrats oppose the motion. We do so for two broad reasons—the nature of the Budget and the Finance Bill, and the process of setting the timetable in the motion.

Our opposition to the timetable motion on the Finance Bill is based not simply on a view of whether the Budget is good or bad, although we have clear views about that. We believe that there are some mistaken proposals in it—the windfall tax, heavily headlined and hyped, and the pension tax, which has stealthily crept into the Bill without a great deal of previous advertisement. We believe that some proposals are missing from the Budget and the Finance Bill—proper funding for education being the most obvious example. The Liberal Democrats will argue those points in detail on the Floor of the House and in Committee.

However, our vote against the motion is based, not on the merits of the Budget, but on its size and complexity. Originally, the Government made out a case—which seems not to have been sustained this afternoon—that this was a mini-Budget, a comparatively insignificant Budget, which would harm no one and which could pass through the House without difficulty or trouble.

In our view, it is not a mini-Budget, but a major Budget. It is not a minor piece of legislation even if it is, as Finance Bills go, a comparatively short piece of legislation. It is not simply a case of tidying up the law and improving the legislative background of taxation; we are considering a major Bill, containing significant proposals that go well beyond those in the Labour manifesto.

I do not believe that Liberal Democrat Members would suggest that the mere fact that a measure appeared in the Liberal Democrat—or, for that matter, Labour—manifesto justified its bypassing effective scrutiny. However, there is at least a case for saying, of measures that were heralded in the manifesto, that there has been an opportunity for public debate, for consultation and for outside interests to gather their arguments and make representations beforehand.

However, the Bill also contains new proposals of great significance, regarding which there has been no such opportunity. The thoughtful and professional inputs that are vital if we are to pass legislation have not been forthcoming for those proposals, and there will not be time for outside bodies to make such inputs effectively.

In the Select Committee on Modernisation of the House of Commons, we have devoted a good deal of attention to ways in which we can improve the law-making process and ensure that law is well drafted, error-free and capable of implementation. I noticed that, when the Minister introduced the motion, she repeatedly mentioned the need for certainty. Well, we shall have certainty. We can have the certainty that legislation will not be well drafted, will not be error-free and will not be capable of implementation without subsequent revision.

I am sure that many Labour Members will recognise that point. The biggest amender of Government legislation in the previous Parliament was the Government. Time after time, they had to return to the House simply because they did not get it right the first time. To Labour Members who say, "We were guillotined often enough, so it is their turn now," I say from the security of the Liberal Democrat Benches that two wrongs do not make a right.

Our second broad reason for opposing the motion is to challenge the process that we are being asked to use this afternoon. Within the next fortnight, the Select Committee on Modernisation of the House of Commons, of which I am a member, will produce a report containing all-party proposals on how this issue can be dealt with during this Parliament. The report could be a landmark in improving procedures of the House and the quality and effectiveness of decisions.

It is at best clumsy and insensitive to bring a proposal of this sort before the House; at worst, it is cynical and disruptive, as it risks damaging the all-party consensus on progress. Ironically, as the shadow Leader of the House said, one of the events that may be delayed by this afternoon's debate is the next meeting, later this evening, of the Select Committee on modernisation of procedures. It brings into question just how committed the Government are to seeing genuine improvements in the House's effectiveness in dealing with legislation.

The Government should have forsworn the timetabling of legislation until the Select Committee's report was before the House, so that those newly agreed procedures could be brought into effect where needed. It is sad that on this occasion new Labour has not meant new procedures.

The Liberal Democrats will oppose the motion because the Finance Bill is too big, too complex and too under-rehearsed to be pushed through the House in this way. Moreover, the timetabling of any legislation should take advantage of the Select Committee's immediately forthcoming report, which will give us an all-party basis for tackling those issues in the future.

4.16 pm

Mr. Peter Brooke (Cities of London and Westminster): There have already been two eloquent speeches from the Opposition Benches on this matter; mine will not have the same characteristic, but some things badly need saying.

On the history of the matter, the Leader of the House, who is not in the Chamber, announced at business questions on 3 July that the six-day delay between publication of the Finance Bill and Second Reading would be consistent with precedent and that the gap would be the same as it was in 1983–84 and 1987–88. She said that the Bill would be published in draft, to ensure that there was a six-day delay on this occasion also. I am sorry that the Leader of the House is not here. I expected that she would be, so I did not warn her that I would allude to her speech. I would not remotely accuse her of suppressio veri, but there is a touch of suggestio falsi about her answer.

In 1983 and 1987, exactly the same party as had called the election was returned to office. The Finance Bill had been taken before the election; the parts that the then Opposition were prepared to accept had been taken beforehand. In June and July of those two years, we took after the election the two parts of the Finance Bill that the then Opposition had not been prepared to give us before the election. We thus returned to Parliament with the wording of the Finance Bill entirely familiar to the whole

[Mr. Peter Brooke]

House, because we had been debating it before the election. To treat those examples of six-day gaps as satisfactory precedents for a six-day gap on this occasion seems mildly improper.

I have given the respective dates. It so happens that in 1987, there were only five days between publication of the Finance Bill and Second Reading. I acknowledge that as a fair point, just to show that I am prepared to play by the rules.

I was not a Treasury Minister in 1983 but I was in 1987, and I recall extremely vividly the remaining stages of that year's Finance Bill, which were taken in their entirety by the present Prime Minister from the Opposition Benches. With the exception of one speech by the hon. Member for Great Grimsby (Mr. Mitchell) in the early part of the Bill's remaining stages, the present Prime Minister took the whole of the Committee stage alone. It was a remarkable tour de force. However, one could argue that the measure that we debated in the summer of 1987 was not as complicated or as controversial—in so far as the present Prime Minister felt able to carry the entire Opposition case by himself, clause after clause—as the one that we are considering today.

During business questions on 10 July—a week after the original announcement by the Leader of the House about the gap between publication and Second Reading—I said that, until we saw the detail of the Government's guillotine motion, we were dealing with shadows. I pointed out also that, judging by the Leader of the House's general outline of the timing for the rest of the Bill, we would probably see a profound acceleration in lapsed time. That would necessitate the Finance Bill Committee's sitting, not on alternate days—as it has done historically—but day after day. That would create complications in terms of tabling amendments and for those hon. Members who were conducting the opposition to the Bill. They would have to attend throughout all Committee meetings, and therefore could not consult simultaneously.

The Leader of the House did not respond to my points—although she reiterated how much notice had been given between publication of the draft Bill and Second Reading. I am not complaining about the Government's treating the Opposition with arrogance—that is their business. Perhaps they will pay a price for it in the fulness of time: the laws of hubris and nemesis have not been prorogued simply because there is a new Labour Government. However, like several commentators over the weekend, I am concerned for the taxpayers: these are complex issues.

The Financial Secretary sought to justify the accelerated timetable by claiming that, as all the measures were in the manifesto, it was necessary to translate them into law at the earliest opportunity. I have said before in another context that, in 120 hours spent canvassing on the streets of my constituency, not a single person mentioned a new strategic authority for Greater London. No doubt the Financial Secretary will claim that, because the proposal is in the manifesto, the nation voted for it specifically, directly and consciously.

I shall not labour the point—it is often argued that, if proposals are in the party manifesto, they are part of the programme. However, the advance corporation tax proposal was not in the manifesto and nor, to the best of my knowledge—the Paymaster General may correct me on this point—were foreign income dividends. Therefore, we must deal with matters that we first sighted when the Budget was introduced a short time ago. My hon. and learned Friend the Member for Harborough (Mr. Garnier) asked the Financial Secretary a specific question, which she has not answered. Therefore, I shall return to that subject before I sit down.

Taxpayers and their advisers frequently complained about complex legislation, such as the Finance Bill, when the Conservative party was in government. They were unhappy about the complexity of such legislation. I think that the Government will test the patience and the good will of those taxpayers and advisers if they adopt an accelerated programme for measures of this sort.

I shall give an example from the previous Government's Finance Bill of an appropriate legislative timetable. Those on the Government Front Bench will remember the proposition in clause 37 of the previous Finance Bill, regarding value added tax on property. In the early part of December, I was alerted to the fact that, although people understood the Government's intentions, the clause, as drafted, would be extremely cruel to those who were obeying the law and would not exact any penalty on those who were not. In the interests of natural justice, there was a case for redressing the balance.

I remember writing to major property companies about the problem before Christmas last year, and I embarked on consultation with them in January this year. The British Property Federation and I discussed the matter with the then Exchequer Secretary, Mr. Oppenheim. He assured us that the Government recognised the force of our arguments, but conceded that it was a complex matter, which would be extremely difficult to put right.

I had a further meeting with the Exchequer Secretary on 5 February—almost two months after the Budget itself—when he spoke words to this effect, "There is no way in which we can unravel this in time for Committee, but we are working on it. Customs and Excise is working with the advisers to the British Property Federation. If a satisfactory solution can be adopted, we shall adopt it, but we do not at the moment have such a solution. We are testing such solutions to destruction."

I was quite clear that the Government were not going to produce a solution in Committee. They did not even produce a solution on Report. They eventually produced an agreed solution, which was accepted in the House of Lords on 19 March—three months after the first correspondence that I had received from my constituents. Everybody agreed that the outcome was wholly satisfactory: that by patient unravelling work, we had come up with a solution that achieved what the Government wanted to achieve and which was not opposed by the then Opposition, who agreed that it was important that we should carry the proposal through. However, it took three months to find a form of words that everybody was satisfied would achieve the Government's objective without punishing innocent people. One could not accelerate that three-month period, but Ministers on the Treasury Bench are seeking to impose this Bill on us in a very short time.

After the election, there were rumours that the Budget would be announced on 10 June. For whatever reason, the Government were not able to have the Budget on that

date. That is their business, not mine or that of the House. If they had announced their Budget on 10 June, we would not have had the problem that we have today, because there would have been plenty of time. Therefore, the Government deserve some criticism for potential mismanagement of the timetable.

The Government's new timing for a Budget on 2 July was bound to create problems for everybody involved. I am talking not about the convenience of Members of Parliament—even Opposition Members of Parliament—but about taxpayers and their advisers. The Government are determined to get the Finance Bill through by the summer recess, and the Budget contains a new measure of which there had be no forewarning in the manifesto.

The Chief Secretary said on Second Reading that the previous Government had imposed 82 guillotines on 61 Bills. That is a perfectly reasonable statistic, but I notice that he did not identify how many had been imposed between the election victory in May 1979 and the House rising for the summer recess in July of that year, which is the best parallel case. I whipped one Bill in that period. We got it through in a perfectly amicable way. I remember whipping two more in 1979 and 1980, one of which was considered in Committee for 105 hours; the other was considered for 120 hours. There are problems of style in the way in which the Government are allocating time on a matter as complex as the one that we are addressing today.

The Financial Secretary, when replying during the Budget debate on 3 July, omitted to answer any of the reasonable, relevant and logical questions put to her by my hon. Friend the Member for Daventry (Mr. Boswell). When my hon. Friend said that he sensed that the Financial Secretary was about to sit down, she said that she was not, but that she would come to his points. She said that the Government were very much in favour of debate on the Committee stage of the Finance Bill.

I am bound to say that, so far, on the basis of the Financial Secretary's reply to my hon. and learned Friend the Member for Harborough, the omens are not very encouraging. If we are going to deal with complex issues and the Financial Secretary is not prepared to answer questions, problems lie ahead.

I recognise the Financial Secretary's reference to the manifesto. There will, of course, be arguments about the Government's conduct of facets of the Bill, but the ones that particularly preoccupy the outside world are ACT and foreign income dividends. The Paymaster General may soon tell us what particular change of heart the Government have had on foreign income dividends. In trying to take through a Bill of this complexity in the brief time that they have allowed for it, the Government are demeaning themselves—sadly, they involve the rest of us in it as well—and Parliament in the eyes of the public.

4.29 pm

Mr. Dennis Skinner (Bolsover): I have a little booklet with me which refers to the use of the guillotine since 1945. I have listened to many debates on guillotine motions in the past 27 years, and it is interesting to note that between 1945 and 1970-71, the year when I was first elected to this place, only about 20 guillotines were implemented.

When the right hon. Member for Old Bexley and Sidcup (Sir E. Heath) was Prime Minister, he introduced a guillotine on the Bill that became the Industrial Relations Act 1971. The guillotine was introduced almost immediately after the Bill's inception, and we were outraged. About 40 of us stood in front of the Mace, although I do not know what effect that had. Our protest was not seen on television because the House was not then televised, and it was not even broadcast on "Yesterday in Parliament" because the programme did not exist.

Why were we so outraged by the use of the guillotine? The answer is that it was not the thing to do. The then Tory Government had a majority of about 40 and I do not think that any Conservative Members were likely to rebel. Most of us thought that the introduction of a guillotine should not happen. That attitude was par for the course in those days: "If there is a guillotine, oppose it." We had not been used to them.

The Industrial Relations Bill became an Act—in other words, the guillotine worked—but then finished up on the back boiler because four dockers would not observe its edicts: the Official Solicitor had to go to Pentonville to bail them out and purge their contempt. What a great Act of Parliament that was; I thought, "Well done—there's your guillotine for you." I felt fortified by the outcome. We voted against the guillotine motion and a discredited Act was then got rid of by the Prime Minister who introduced it. I thought that that justified the rejection of guillotines.

The Industrial Relations Bill was followed by the Housing Finance Bill, also in 1971. I was a member of the Committee that considered that Bill for about six months. There was a stage when we never left the Committee Room for five successive days. Tony Crosland was that confused one night that he went home in his carpet slippers. We used to meet night after night. After a long time in Committee, that measure was guillotined. Again we were outraged and voted accordingly. I think that it is fair to say that from then on guillotines were used much more frequently than ever before. The booklet to which I have referred makes that pretty clear.

We may as well admit that over the past 10 years or so the use of the guillotine was so widespread that the previous Tory Government came to use it for almost anything, and I must say that my outrage has diminished: I realise that almost everyone is walking down a different set of rails—rails which are clear to anyone who wants to see them. The Government people vote for a guillotine and the Opposition vote agin it. With the rare exception of the hon. Member for Aldridge–Brownhills (Mr. Shepherd)—I think that he has been in the Lobby with me on odd occasions, but I do not think there has been anyone else from his party—the outcome can more or less be forecast.

The much-vaunted guillotine, which it is said has undermined this wonderful Mother of Parliaments and all the rest of it over the past 10 to 15 years, has done nothing of the kind. I have to admit that, because I have watched and taken part in all those debates and votes. Frankly, if the Prime Minister had given me the job of Leader of the House and I had been in charge of proceedings, I would not have introduced this guillotine motion—not as a matter of principle, because I do not think that the principle is as evident as it used to be, but for the simple reason that we are already in July and we all know that Tory Members will not want to be sitting in Parliament in August. I would have said, "We'll drive them into August, and we'll finish in time."

[Mr. Dennis Skinner]

I would not have bothered with the guillotine. The chances are that the Tories would not have gone anywhere near 12 August when the grouse shooting season starts. They would not have dared—not after the big rally they had last week in Hyde park attended by the Leader of the Opposition. He is on a zero-hour contract. All Tories believe in zero-hour contracts, but they are taking it a bit too far when they give the Leader of the Opposition one—I think it is called "Waiting for Portillo". Given the Tories' problems, I would have carried on. I am not making a song and dance about it, but that would have been my instinct. The Tories are in a right old mess and there are only 164 of them. The Liberal Democrats will join them in the Lobby—they will never be in government and will never have to wield a guillotine, so we know what they will do—but they will want to trot off on their holidays, too.

When I was in the Table Office last week, I heard Tory Members inquiring about the summer recess; they had already asked the bobbies, because the bobbies get to know first, but they were still not sure. The Tories were in the Chamber on Thursday afternoon when the recess was announced, and now they are shouting and bawling about the guillotine when we all know that they have booked their holidays for August. It has become a bit of a farce.

Mr. Brooke: Does the hon. Gentleman accept that I was not one of the people in the Table Office when he had those various conversations? If he wishes to sit throughout the whole of August, I will be very happy to sit with him.

Mr. Skinner: I have news for the right hon. Gentleman: I shall be here. I have no problem with that: I have to come in every day to establish my working-class credentials. One can easily become middle class, so clocking on the way I used to do is important. I would be happy to come in, but the right hon. Gentleman and I would not do a great deal: he would be singing Clementine and all his colleagues would have gone to their new outpost in Sardinia, where the ex-Prime Minister went.

The document I have with me tells it all. What is more, something significant happened in the previous Parliament: we had the Jopling recommendations. For the benefit of new Members, I will explain what that meant. It meant that opposition would never again be like it used to be. Various changes that had nothing to do with guillotines reduced the Opposition's power to undermine the Government. I will not go into all of them now, but we used to be able to keep the Government up all night during discussions on the Consolidated Fund Bill. European Community orders went into Committee, and many other orders that we used to debate on the Floor of the House went into Committee unless we took special measures to prevent it.

At that time, the Tories were in power and had 329 Members. They were so arrogant that they believed that they would be in power for ever. With my old friend Bob Cryer, who died, I used to warn Tory Members that they would rue the day they passed the Jopling recommendations because it would give the green light to any in-coming Labour Government to guillotine almost everything and never mind "Erskine May". We warned the Tories, but although a few went into the Lobby with us late one night the number voting against the recommendations was miserly—only 40 or 50 hon. Members altogether. That is significant. I am not accusing those who are now Government Front Benchers of hypocrisy: they, too, went into the Lobby to vote in favour of the Jopling recommendations. Why was that? It was because they thought that they were going to win the election and they had an idea that they would be using the recommendations themselves.

Hon. Members can have their boring old debate if they like, and it will get even more boring as they go on. I can stand on principle for as long as I choose, but having listened to this debate about the guillotine for 27 years I observe that it ain't what it used to be. One thing that I cannot stand is hearing Tory Members who went racing through the Lobbies to cut debates short in the last Parliament now shouting and bawling and crying about a guillotine that even I believe allows the passage of many measures for which the people voted.

I admit that some measures in the Budget surprised me, but most of them were well canvassed. I talked about most of them on the street corners of every village in my constituency during the general election campaign. I do not feel put out about those proposals; that is not my objection to the guillotine. If I thought that the cause was so great, I would feel bound to follow my voice with my vote, but the Budget—which, as I say, was well canvassed—is not of that dimension. It is not like the Industrial Relations Act 1971, which went to the core of my being.

As is traditional, the Tories will carry the Liberal Democrats and the other ragtag and bobtail into the Lobby with them today. They will then send their constituents a newsletter—if they get around to it—saying how they stood up to the Government, but it does not add up to a row of beans.

Mr. Viggers: The hon. Gentleman, as always, is true to himself. I have heard him talk on this subject before, and he has said the same on those occasions. But did he ever in his wildest dreams imagine that he would be sitting on the Government side of the House with so many silent, supine supporters behind him?

Mr. Skinner: I will tell the hon. Gentleman what I said before the election. The last Prime Minister would not listen when I said, "Next time you will be sitting in my seat—I am keeping it warm for you." As the hon. Gentleman has provoked me, I will add that I did not expect there to be 418 Labour Members of Parliament.

I acknowledge that some of those Labour Members are brand new. As naturally as night follows day, they must look to see what the leadership is doing. I have not yet drawn any of them into my corral. I have worked out that only about 100 will be given jobs when the Prime Minister carries out his periodic reshuffle, so it is conceivable that some of them will decide that they are not about to get on to the Front Bench and will start stretching their limbs. I cannot be sure about that, but one thing is certain: I know what those hon. Members will do tonight. They will vote for the motion because they want to get the Bill on to the statute book.

The Tories, meanwhile, will have to go through the ritual: one of them will do so on principle, while the rest will do so as a matter of course. The hon. Member for South Staffordshire (Sir P. Cormack) was recently promoted to the Front Bench. He never had a chance under Thatcher—she would not give him anything—but now, after 27 years in Parliament, he has made it at last: he has become the deputy to the deputy to the deputy shadow spokesman, but he knows as well as I do that the same ritual has taken place throughout the last few Parliaments. Hon. Members must do what they have to do, but they must not expect me to believe that they are engaged in some great principled fight.

4.45 pm

Mr. Richard Shepherd (Aldridge–Brownhills): I am sorry that 28 years of grousing by the hon. Member for Bolsover (Mr. Skinner)—not just before 12 August—has undermined his confidence in some of the principles that he has espoused so freely both to and on behalf of his constituents.

I oppose the guillotine. This is no playing to the gallery; the hon. Member for Bolsover was honestly opposed to guillotines, and I oppose them as a matter of principle. First, they are a denial of freedom of speech; secondly, they are a denial of the representative function; thirdly, they are the supreme instance of the Government's control over the House of Commons. That is why many people have often reflected that guillotines undermine the esteem in which the House is held, and that each of us as a representative is less able to express honestly his or her views about legislation.

I congratulate the Treasury Front Bench. I cannot recall ever before seeing the entire team in the Chamber during a debate on a guillotine motion. It is important that they should all attend, as this is a serious step for the House of Commons.

Several aspects of the guillotine worry me. First, all the instances given by the Financial Secretary to the Treasury, the hon. Member for Bristol, South (Dawn Primarolo), were very poor. The hon. Member for Bolsover and I cried foul to the former Government over such instances for many years, and I therefore would not pray them in aid. There must be merit in the debate itself, but the Financial Secretary was unable to adduce any dignified and honourable arguments to support her contention.

I have a greater worry, however. Many thinking Members of Parliament were elected on 1 May, and in fulfilling their representative function they will have to reflect the views both of their constituents and of their local authorities. My hon. and learned Friend the Member for Harborough (Mr. Garnier) asked where the change in the tax position of pension funds appeared in the Labour party manifesto, but no answer was given. I understand the difficulty of giving an answer, but to predicate an argument on such a flimsy basis as that used by the Financial Secretary does not assist in any way.

I have said that I oppose guillotines. Looking at what happened over the course of the past five general elections, I noted that in 1979 it took the then Conservative Government all of six months to impose a guillotine on the Bill that became the Education Act 1980. The guillotine was imposed while the Bill was in Standing Committee. After the 1983 election, it took the then Conservative Government no more than five months to impose a guillotine on the second telecommunications privatisation Bill, which became the Telecommunications Act 1984, also as a consequence of debate in Standing Committee. In 1987, it took the then Government eight months to impose a guillotine on the Bill that became the Education Reform Act 1988—again as a consequence of debate in Standing Committee. In 1992, it took the Government seven months to guillotine the Cardiff Bay Barrage Bill on Report. I mention that because the Financial Secretary seemed to think that there was some distinction between types of Bill.

Less than three weeks after the Queen's Speech the new Labour Government moved to impose a guillotine on the referendums Bill for Scotland and Wales. No one disputes that that is a major constitutional issue that will have repercussions—we cannot yet weigh up what they will be because we have not seen the substance of the legislation—but the course on which the Government have embarked is sensitive and tendentious; it requires great consideration and deliberation by the House, and every hon. Member is entitled to contribute to that debate.

Within eight weeks of being elected, the Government are now imposing a guillotine on the Finance Bill. The historic reason for the House coming into being was to express consent and acquiescence. Hon. Members who have been in previous Parliaments will know that I have always said that the House's principal function is to attest to the consent or acquiescence of those who have sent us here to represent them. After all, we are making laws with penalties for those who fail to uphold them. Our fellow citizens could be sent to prison as a consequence of their failure to attend to the laws that we pass. That means that there is a solemn duty upon us. Can we honestly attest that our laws will be borne? That is the prime reason for hon. Members having a purchase on our debates. However humble or new we are, it is important for us to be able to contribute to debates.

I did not see the pensions issue coming and I could not weigh it up appropriately on Budget day. As we reflect on these matters and as others with more expert understanding of the complexity of the detail examine them—in such matters the devil is always in the detail—it will be clear that they have will have considerable consequences for my local authority and for individual pension builders among my constituents. This important issue will have ramifications for local authority taxation in the coming years because authorities may have to make up a shortfall. I do not know whether what I am saying about the detail is correct, but I know that we shall find out by the process of legitimate debate in the House. By some majestic divination, the Government have decided that that will require a little over two hours and 32 minutes.

There is a problem with a Government setting out what they think are the priorities in Bills. I have seen that often because there were almost 60 such Bills under Lady Thatcher and my right hon. Friend the Member for Huntingdon (Mr. Major), whose Government started with a heavy drumbeat of guillotines. By 1992, unfortunately, the option of guillotines was taken out of the then Government's hands because their majority was not large enough.

We often do not know where the hidden weight of an argument lies until there is a contribution from the least expected quarter of the House. Guillotine motions are designed to prevent that. The House should reflect on the

[Mr. Richard Shepherd]

most recent guillotine motion, relating to legislation for Scotland and Wales, and note its careful crafting. It was designed to prevent the House from debating some of the specific issues relating to it. That is not a denial of the Government's mandate in Scotland: it is the outcome of the guillotine which will diminish the validity of the Government's mandate. The Lords have amended the Bill, and so far the Government have not imposed a guillotine on the debate on Lords amendments.

These are important issues, and there is a distinction between the Executive and their supporters in the House. A large number of intelligent hon. Members were unexpectedly elected and many of them cannot reasonably expect to hold their seats if, in the traditional sense, a better equilibrium is restored at a future election. What will have been their contribution to the passage of Bills and to other business if they see their only role as that of saying "Hallelujah" to every measure presented by the Treasury Bench?

On the Treasury Bench there are seasoned right hon. and hon. Members who have felt the indignity that I am expressing because they suffered the 60 guillotines that we imposed and they know how destructive that can be to rational and sensible debate. They also know that that was part of the process which slowly unwound the Conservative Cabinet's hegemony over public sentiment. We looked arrogant in the past—as though there were no lessons to learn and no need to justify any of our arguments—but the contempt that was expressed at that time turned round and bit us and there was a wipeout on 1 May.

Mr. Skinner: Surely the hon. Gentleman is not saying that we shall have reached that point with two guillotines. Does he accept that his view varied on some of the 60 guillotine motions that were accepted, and that although he could not stomach some of them, he accepted many? Although the hon. Gentleman and I would be on similar ground in other circumstances, there are varying ways of contemplating legislation and we have to decide instinctively about the measure that is before us. My consideration of this measure is not the same as that of the hon. Gentleman, but he will agree that occasionally one can accept some motions—as he did from among the 60 that he mentioned—while others are not acceptable.

Mr. Shepherd: By about 1987 I had discerned that guillotines had become an instrument of government and that they were the way in which the Executive, without the foo-fah of proper parliamentary debate, intended to engage with the elected representatives of the British people. Thereafter, I would not support a guillotine or the legislation that depended upon it. This is the first time that I have said that in the House, but hon. Members will find that my voting record bears me out. Such motions are a denial of the very function and purpose of this place.

Governments say, "We have important programmes, the House is busy and we have a mandate." When one takes a lease on a building, whether it is a rented house or work premises, one looks at the detail of the lease to see whether there are clauses within it that are too onerous to bear. Such is the duty of the House. It must attest—and honourable, intelligent Labour Members must be sure—that the matter can and will be borne and will not undermine the standing of the House.

I understand the frustration that was felt by Labour Front Benchers when they were in opposition, and the same Opposition frustration is evident today. In part response to the hon. Member for Bolsover I say that there is a qualitative difference between the sort of legislation that the Government have decided to embark upon and that which he mentioned. There is no doubt that their first measure is solemn and constitutional because it is about the government of these islands. It is not the ridiculous Dangerous Dogs Bill, about which it was said that all stages had to be taken in one day, thanks to my right hon. Friend Lord Baker.

The motion before us today relates to the Finance Bill, which deals with the taxation of the people of these nations. It deserves proper scrutiny, but there is to be a guillotine before the Bill has even been in Committee. I remind the House of what I have emphasised time and again—that the balance of an argument or the devil in the detail sometimes comes out of the wood and surprises us. To show the extent to which the Executive is seeking to control the House and its Members under some fanciful doctrine of the mandate I will quote from a simple part of the motion. Under the heading "Dilatory Motions" it states:

> "No dilatory Motion with respect to, or in the course of proceedings on, the Bill shall be made in the Standing Committee or on an allotted day except by a Minister of the Crown; and the Question on any such Motion shall be put forthwith."

I ask hon. Members to think about that. It is a fairly ordinary clause, but it affirms that this is a matter for the Executive and that hon. Members will take it on the terms presented by the Executive.

If I have stepped widely in the debate, I apologise, but the arguments are profound. Within three weeks of the Government coming into office there was a guillotine motion on a constitutional measure, and within eight weeks a guillotine motion on a Finance Bill. That is inappropriate. It will—I have said this before—slowly trickle out to people that there is an extraordinary presumption and arrogance, which is so familiar to them. Conservative Members should know why we lost the election on 1 May. Labour Members who support the Government motion should remember that the very arguments that were adduced against us slowly build up: the silt fills the bottom of the jar until people realise that arrogance is a feature of Whitehall and of the Executive. It is the function of the House of Commons to represent and stand up for the people who elected us.

5 pm

Mr. Peter Viggers (Gosport): This is a special occasion. It is the first time in 23 years that I have wanted to speak in a debate on a timetable motion. As a parliamentary private secretary at the Treasury, not as a Minister, I daily heard the truism that what appears initially to be a good Budget frequently turns out to be a bad one, and what appears to be a harsh Budget often turns out to be a very good one. That is not just a truism; it is true.

Another truism is also true: there is no such thing as an entirely favourable Budget measure. The Chancellor cannot please everyone. When he said that, for the greater good of mankind and of the United Kingdom population in particular, he would diminish excise duty on lead-free petrol, he thereby drove out of business a company whose

special product was the lead additive in petrol. A Chancellor cannot say that a measure is universally good.

The Budget contains some exceptionally complicated measures. They derive mainly from the system of corporation tax, including advance corporation tax. To great acclamation, the Chancellor said that he would cut the basic rate of corporation tax from 33 per cent. to 31 per cent. That will benefit company tax payers by £1,950 million. In abolishing tax credits by a comparative sleight of hand, however, he raised £5,400 million a year in the longer term, a much larger amount. The implications of that will take some time to sink in.

In an article on international bonds in today's *Financial Times*, Krishna Guha states:

"'This is going to be a huge supporter for the bond market, and for the very long end in particular,' says Mr. Andrew Roberts, head of bond strategy at UBS. But it is too early to say how or when it will affect the market. 'If anyone tells you they know, they are lying,' he says.

Many companies will have to increase pension contributions to make up for the cost to their pension funds. Valued on the basis of the present value of their future income, pension funds have in effect suffered a revaluation loss of 15 to 20 per cent.

'Mature funds will suffer more than small ones,' says Mr. Alan Clifton, managing director of Commercial Union Investment Managers. 'Pension funds such as British Steel or ICI will be the main sufferers.'"

I cannot imagine that it is directly relevant, but I should say that I am the chairman of the trustees of the Corporation of Lloyd's pension fund, which in this category would rate as a small pension fund. I am not a beneficiary in any way; I am merely the chairman.

The implications of the Budget changes were foreseen. The *Financial Times* Lex column on 12 May said that it expected the Chancellor to turn to fundraising:

"If Britain's new chancellor can reinvent monetary policy-making in just a few days, what havoc might his promised review of corporate taxes wreak? The most obvious potential victim is about as difficult to spot as an elephant in the chancellor's bedroom: Britain's much-loved advance corporation tax (ACT) credit on dividends. Not only does this cost the exchequer some £5bn a year. It also gives pension funds a distorted incentive to prefer dividends over reinvested earnings. So its life expectancy does not look great. But remember: the chancellor promises a review 'to promote greater long-term investment'. Simply cutting the ACT credit would do no such thing. On the contrary, companies would end up shouldering most of the burden and the cost of capital would rise."

It will take time for the Budget's implications to sink in. The *Financial Times*, *The Economist* and other expert commentators have expressed their views. Professional bodies and trade associations will inform their members. My hon. Friend the Member for Aldridge–Brownhills (Mr. Shepherd) referred to the Budget's effect on local government pension funds. It has taken some time for local government pension funds, for advisers to the funds and for local councillors to realise that it may be necessary to raise council tax to pay the contribution required by the Government. It will take a long time for individual business men and women and pensioners to make their views known.

So far, I have received no representations about the Budget, but I am certain that I will. When I receive representations from my constituents, I am sure that they will say, "I had no idea that the Budget was going to affect my pension fund to the extent that it has. I was expecting the pension fund to be enhanced by future benefits." Someone might write to me and say, "I am a trustee of a small pension fund. I did not realise that we would have to increase contributions by taking money from the shareholders' funds or by taking money from employees."

People have not realised the extent to which the proposals will affect them. During his Budget speech, the Chancellor said lightly that many pension funds were in surplus. It is true that about half the pension funds with the National Association of Pension Funds Ltd. are in surplus, but those that are not will need contributions from employees or from company funds. People with personal pension funds have planned to retire at a certain level of income. They will now have to suffer a lower pension or make higher contributions to their pension fund than they had expected.

When people realise the extent to which they have been disadvantaged, they will be resentful and will think less of the Labour Government, of the Chancellor and, I am afraid, of Parliament because they will notice that we allowed the proposal to be passed without adequate scrutiny.

I do not regret the lack of debating time on the Floor of the House or in Committee. My complaint is that the entire process, from the Budget through to Third Reading, will be so compressed that experts outside will not have an opportunity to express their views, and ordinary constituents, voters, business people and pensioners will not have a chance to assess the effect that this damaging and tax-raising Budget will have on them.

The Financial Secretary to the Treasury made much of the need for certainty as against uncertainty. The Paymaster General is on the Front Bench. I hope that he will reply to the debate so that he might clarify one point. He said:

"We are also looking sympathetically at the position of UK-based groups with a substantial amount of foreign income."—[*Official Report*, 4 July 1997; Vol. 297, c. 586.]

I have raised this point twice before on the Floor of the House, but the Paymaster General was not replying then. As he will reply today, I hope that he will clarify what he meant by those remarks. Is it that a Budget measure is likely to be changed? If so, we should be told earlier rather than later. We do not want to be told during the summer recess when Parliament is not sitting.

The guillotine is symptomatic of the Government's attitude to their own party and to Parliament. No Labour Member, other than the hon. Member for Bolsover (Mr. Skinner), has sought to speak in this debate. It is clear that the Government are interested in using their massive majority more to push through legislation than to scrutinise it. It is the same choreographed response as we see during Prime Minister's questions, when someone is selected—we know not how or why—to emerge from the chorus line and have a speaking part. It is a contempt of Parliament.

Despite all that, I am quite cheerful at the moment. Nothing can eradicate the past 18 years of good government and good measures. It appears that the new Government will leave the main framework of the Conservative improvements in place. It gives me pleasure to see the Government losing the plot at such an early stage.

[Mr. Peter Viggers]

The Times published a letter today from Mr. Brian Lynch, who said:

"Sir, Picket lines again, inflation up, interest rates up, more troops in Ulster, Ken Livingstone back in the limelight. Didn't take long, did it?"

5.11 pm

Mr. Richard Page (South-West Hertfordshire): This debate may go down in history as the one in which the hon. Member for Bolsover (Mr. Skinner)—I am sorry that he has left the Chamber—confessed that he was well on the way to becoming an establishment man. No doubt he will be a noisy establishment man. He weaseled his way out of his past objection on principle to guillotines by saying that guillotines were not what they used to be, that they did not matter today and that they are from the past.

In a way, I agree with the hon. Gentleman. I cannot work up a lather, either synthetic or genuine, over a timetable for a parliamentary Bill. It is a perfectly legitimate weapon of Government to impose a timetable for the effective discussion of a Bill. I think that all Bills should be timetabled. That means the sensible division of a Bill so that those parts can be discussed in great detail, but are not held up by filibustering.

The hon. Member for Bolsover was nostalgic when he recalled the filibusters on the Industrial Relations Bill. I, too, can recall a few filibusters. One or two hon. Members regard filibusters in the way that war veterans regard being asked by their children, "What did you do in the war, Daddy?" Members of Parliament say, "I remember the great fluoride debate. I remember being upstairs in the telecommunications Committee for over 100 hours on three separate Committee stages." I, too, remember those occasions. In the middle of those filibusters, my overwhelming ambition was to be at home, tucked up in bed while other people wasted their time.

I have searched my memory, but I cannot think of a single case of filibustering having changed the intended outcome. Therefore, I believe in the sensible timetabling of Bills. Of course, the key word is "sensible". The proposed timetable is not sensible—it is truncated and far too short. I am not saying that the time for debate should be four or five times longer, but there are one or two aspects that need attention. My hon. Friend the Member for Gosport (Mr. Viggers) referred to some of the points that would need to be drawn out.

Why is the procedure truncated? I am glad to note that the Chancellor has arrived in the Chamber. The Government have cocked it up—perhaps that is not a delicate thing to say. Before the Budget, the Prime Minister and the Chancellor were macho men, going around saying, "We have got to hit the ground running." What better way to make their mark than a Budget that shows that they have their hands on the reins of power?

As the Chancellor has probably discovered, he cannot simply wander into the Treasury with a piece of A4 exercise paper bearing the words, "Can you give me a Budget in a week or two?" His original date would have allowed plenty of time for the Bill to complete its Committee stage, but it takes considerably longer than he expected to put through a Budget, especially in view of the need to ensure that anti-avoidance measures are in place.

I noted that the Chancellor muttered a few words about making anti-avoidance measures illegal. It is an interesting concept that he is trying to introduce into our law, and I welcome the opportunity to watch it develop over the years to come. The Treasury will have to spend month after month ensuring that they deliver and are not circumvented.

I would have liked a little more time to debate the Bill because I support certain of the Budget's proposals, some of which are quite sensible. I take an interest in the small business sector and I have spent most of my time in the House trying to promote it. That sector will grow and provide jobs for the future. It may even employ youngsters who are to go into some form of employment or training.

I agree with the proposal to increase the plant and equipment allowance from 25 per cent. to 50 per cent., but I would have liked a little more time to define what is meant by plant and equipment. We do not want any more splurges, with companies buying typists' chairs and desks at the end of the financial year.

The proposal should focus on machine tools. As a Conservative Back Bencher and as a private individual, I have always argued that there should be a focus on machine tools. We should take a leaf out of the Japanese book. The Chancellor may find it interesting that the Japanese give small firms a machinery and machine tool grant for three years. For example, they target the grant on NCR machines to help small firms acquire the means of production.

I had hoped that the Budget would include a proposal to allow small firms to accumulate a nest egg of capital. It is all very well to reduce corporation tax from 23 to 21 per cent.—every little bit helps—but that is not enough. The person running the business will say to himself, "Do I pay the tax or do I pay it to myself as income?" I would have supported a measure, perhaps in the form of a bond or non-redeemable shares, that would keep the money in the business and give it a chance to grow. We are allowed personal allowances, so why should not companies have allowances? It could be an adjustment to the corporation tax—

Mr. Deputy Speaker (Mr. Michael Lord): Order. I remind the hon. Gentleman that we are discussing the allocation of time, so it is not appropriate to go into the details of the Finance Bill.

Mr. Page: You are absolutely right, Mr. Deputy Speaker, but I am so enthusiastic about the small business sector that I get carried away. In fact, I had finished my sales pitch on behalf of small businesses.

My hon. and learned Friend the Member for Harborough (Mr. Garnier) asked what time would be available to discuss the impact of changes in advance corporation tax on charitable schemes. I declare an interest as I was the honorary treasurer of a large charity. I know what effect such measures can have on charities' incomes. Some charities have already been hit hard by the lottery, and I should have thought that some special allowance could be made in addition to the three years that has been allowed by the Chancellor—

The Chancellor of the Exchequer (Mr. Gordon Brown): It is seven years.

Mr. Page: Yes, seven years; such an allowance would enable charities to retain more of their income. The subject

will be debated on the second day of the Committee of the whole House, but it should be allowed much more time. The United Kingdom has a tradition of giving and of generosity, and charities should have an opportunity to get their act together so that they can present a case and try to melt the Chancellor's stony heart.

I believe that Bills should be sensibly timetabled during a Parliament. Today's motion, however, is not sensible. It is far too rushed and we should be allowed more time for debate. The Budget's iniquities will not be properly debated under the timetable. My hon. Friend the Member for Gosport made the point that Budgets that are lauded to the heights on Budget day often turn out to be stinkers. The aroma of this Budget will linger in the nostrils of the British people—especially of those who will become pensioners—for years to come.

Mr. Viggers: On a point of order, Mr. Deputy Speaker. I wonder whether you would be prepared to take hon. Members into your confidence. Hon. Members know that those who wish to speak in debates may submit their name to the Speaker's Office and that, if they are lucky, they will be called by the Chair. Will you tell Opposition Members whether you have received any requests from Labour Members to speak? It seems extraordinary that Labour Members have not commented on such an important constitutional measure. Conservative Members have made some good speeches, and we have heard an excellent speech from a Liberal Democrat. I wonder whether something is distracting Labour Members.

Mr. Deputy Speaker: The hon. Gentleman has been here quite a long time; he is well aware that that is not a genuine point of order for the Chair.

5.21 pm

Mr. Edward Garnier (Harborough): I should, if I may, correct a comment made by my hon. Friend the Member for Gosport (Mr. Viggers). There have been two speeches by Labour Members: one by the Financial Secretary to the Treasury, with which I shall deal shortly; and one by the hon. Member for Bolsover (Mr. Skinner). I agree that there were only two speeches by Labour Members, although it is doubtful whether any speech by the hon. Member for Bolsover can be counted as a speech from the Government Benches. None the less, he made one, and he is a Labour Member.

I learnt only a few things from the speech by the hon. Member for Bolsover, the first of which is that he is getting old. The second thing I learnt is that he has only three speeches in his parliamentary locker—today we heard either speech one, speech two or speech three—all of which we have heard before. The third thing that I learnt about him, which may be of some relief to the Paymaster General, is that—based on his discussion on August holiday arrangements with my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke)—the hon. Member for Bolsover is deeply out of touch with the modern Conservative party, which, sadly, is no longer necessarily representative of the grouse-shooting classes. It is also quite clear that he will not be asked this summer to the Paymaster General's castle in Tuscany, but may spend a lonely summer holiday in this Palace.

The final thing that I learnt from the speech by the hon. Member for Bolsover is that he does not object to guillotines when he agrees with the underlying legislation. When he objects to the underlying legislation, however, there is no more principled advocate of the arguments against imposing a guillotine. I should like to compare his speech with the purity and elegance of the speeches made by my hon. Friend the Member for Aldridge–Brownhills (Mr. Shepherd) and my right hon. Friend the Member for Cities of London and Westminster—which, within a few moments, encapsulated the evil of the motion that we are debating.

The Financial Secretary to the Treasury moved the guillotine measure against the background of a Labour Government who have a huge majority that has allowed them to create a disgusting mixture of arrogance and lack of self-confidence. The lack of self-confidence has been evident in the dearth of speeches by Labour Members supporting the motion. They lack confidence and have not spoken because they do not understand that even bad arguments require support in the Chamber. If they are not prepared to support the Minister who moved the motion, what hope have we for the remainder of this Parliament?

The motion was moved also against a background in which one Labour Member, who is not in the Chamber, was overheard complaining that his sense of democracy was offended by the notion that any Opposition facing a Government majority of 177 should have the right to propose amendments to Government legislation. That is only an anecdote—I am sure that it is not a criticism that I could lay at the door of every Labour Member—but it does rather inform the way in which the new Labour Government exercise their authority over this legislature.

A point that has already been made by my hon. Friend the Member for Aldridge–Brownhills is that this guillotine is not the first one proposed by the Government, although we are only six or eight weeks into this Parliament. He and I spoke for some little while in the debate on the Government's first guillotine, which was on the Referendums (Scotland and Wales) Bill. On that occasion, we heard the same arguments—if they can be so described—from the Government. Both that Bill—which my hon. Friend rightly said was a major constitutional Bill—and the Finance Bill are major Bills. The Finance Bill has an equal if different significance.

The Finance Bill is already suffering from truncation, and the period between its Second Reading and Committee stage will be far shorter than that allowed for any previous Finance Bill. As Conservative Members have said, the time between a Finance Bill's Second Reading and its Committee stage is the very time when the financial services and pensions industry and those who will be affected by the Budget must lobby their Members of Parliament and the Treasury to explain the difficulties that they and the taxpaying public might suffer.

My right hon. Friend the Member for Cities of London and Westminster mentioned some of his constituents who are in the property business and who wrote to him about an aspect of a previous Budget that dealt with property taxation. That was an extremely germane example of the value of a long period of consideration. No one will be allowed such a period of reflection on the Finance Bill. In passing this type of legislation, Ministers owe it to us all to reflect on what they are doing.

I will not say what I think of the speech made by the Financial Secretary. Nevertheless, she said that it was not her or the Government's fault that the Finance Bill and the Budget have been introduced one third or halfway

[Mr. Edward Garnier]

through the financial year. No one asked the Government to introduce a Budget at any stage of the year, and no one asked them to delay their Budget from 10 June to 2 July. It is also no good for them to complain to us when we complain that they are so drastically cutting time to debate the Bill.

Another point that has not yet been mentioned but that is worthy of mention is that, in the other place, the same scrutiny does not occur on Finance Bills as occurs on other types of Government legislation. As the hon. Member for Hazel Grove (Mr. Stunell) correctly said, in previous Parliaments, it has been a matter not only of Governments having to amend their own legislation but of the other place amending Government Bills, which it has done most effectively and in a rather more deliberative atmosphere. This Bill will not have such an advantage.

Ministers are fond of using the expression "the people's"—as in the people's money, the people's Government, the people's this and the people's that. The Government have proposed 17 tax rises to take more of the people's money, yet they are not prepared to allow the people's representatives adequately to discuss those proposals.

The few arguments offered by the Financial Secretary, who is temporarily absent, were as follows: first, she said that there was a need for certainty for the taxpayer; secondly, she said that the guillotine motion provided for better scrutiny of the Bill; and, finally, she said that there was adequate time. I think it was Humpty-Dumpty who said, "What I say it means is what it means," although I paraphrase inaccurately. The Financial Secretary was following his words closely when she sought to prove that adequate time had been allocated. The time available is wholly inadequate.

As for providing certainty for the taxpayer, if the Financial Secretary is concerned that old-age pensioners with heating bills to pay this winter need to know before the autumn what they will or will not be getting from the Government, surely it is open to her to sever that issue from the Finance Bill and legislate separately while we consider the other aspects of the Bill with greater care.

The Financial Secretary said that there was adequate time. One has only to read the table set out on page 852 of the Order Paper to see what that means in her view. On the first day, we have until 7 pm to deal with clause 1 which relates to the windfall tax. We all know that, even with the best will in the world, it is not often possible to start Committee stage deliberations on the Floor of the House at exactly 3.30 pm. It is therefore likely that there will be less than the requisite time to discuss the windfall tax. At 7 o'clock, we are to move on to discuss mortgage interest tax relief, dealt with in clause 15. That debate must be finished by 10 pm. There will no doubt be a Division at 7 pm, or shortly afterwards and, in view of the number of Members—659, of whom perhaps 640 will vote—we shall not start debating clause 15 until about 7.30 pm.

The following day, we debate clause 17 which deals with medical insurance, or the removal of tax relief on it, and we follow the same procedure. Also on the second day, we debate clause 19, which deals with pension funds and tax credits, for a little under two and a half hours.

Those debates cover four big subjects which deserve rather more than two and a half hours each—

Sir Patrick Cormack (South Staffordshire): That includes Front Benchers' contributions.

Mr. Garnier: As my hon. Friend so kindly reminds us from the Front Bench, that time includes Front Benchers' contributions.

It beggars belief that the Financial Secretary dares go to the Dispatch Box and describe as adequate the timetable set out on page 852 of the Order Paper. It also beggars belief that she seeks to give cogent reasons for anything when she singularly failed to answer a direct question that I asked her, and did so with a boldness that I could only salute as it passed by.

My hon. Friend the Member for Aldridge–Brownhills made the important point that, according to paragraph 7, dilatory motions can be moved only by a Minister of the Crown. It states:

"No dilatory Motion with respect to, or in the course of proceedings on, the Bill shall be made in the Standing Committee or on an allotted day except by a Minister of the Crown".

This is the legislature of the British public, but only a Minister of the Crown can tell us how to conduct ourselves. It is not only in paragraph 7 that we find such powers given by the great silent ranks of the new Labour party. Paragraph 5(2) states:

"No Motion shall be made in the Standing Committee relating to the sitting of the Committee except by a Minister of the Crown, and the Chairman shall permit a brief explanatory statement from the Member"—

presumably, a Minister of the Crown—

"who moves, and from a Member who opposes, the Motion, and shall then put the Question thereon."

It is very kind of the Government to draft the motion in that way.

Paragraph 12(3) states:

"If on an allotted day on which any proceedings on the Bill are to be brought to a conclusion at a time appointed by this Order or a Resolution of the Business Committee the House is adjourned, or the sitting is suspended, before that time no notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order."

First, only a Minister of the Crown can truncate the proceedings. Secondly, if he wishes to truncate proceedings further, he need not tell us that he is going to do so. I dare say that the statue of Cromwell outside this Palace is witnessing some changes—he must be smiling and enjoying the work of this Government as they become ever more as he used to be.

This will be a very bad period for Parliament. It started badly with the first guillotine—on the Referendums (Scotland and Wales) Bill—and is made worse by this shabby motion. Two huge Bills of great importance, one on the constitution and one on the way we raise our finances, are to be crushed into a timetable designed by a Government who do not have the confidence to allow us to debate the ideas that they did not have the confidence to put in their election manifesto. Before very long, the Government will learn that such conduct does not sit well with the British public.

5.35 pm

Mr. Damian Green (Ashford): As a new Member, I have for several reasons found it educational to sit through all of this guillotine debate. First, it was a

privilege to see a performance by the hon. Member for Bolsover (Mr. Skinner) live, as it were, having seen many previously through the media. It was educational not only for his performance which was, of course, inimitable but because of the interesting attitudes that lay behind what he said.

As I understand the hon. Gentleman's arguments, he felt passionately about the Industrial Relations Act 1971 and that it was therefore a constitutional monstrosity that it should have been guillotined. However, he does not care much one way or the other about the Budget, so, as he enters his declining years, he feels relaxed about voting for a guillotine motion on it. That is instructive for two reasons. First, the fact that he could not raise any enthusiasm for the Budget tells us a great deal about how it is going down with some Labour Back Benchers. Secondly, and perhaps more significantly, it shows a gap between rhetoric and reality. When a Member with such a distinguished and anti-establishment history as the hon. Member for Bolsover cannot bring himself to condemn a guillotine motion, one feels that the last fires of libertarianism within the Labour party are finally about to be extinguished. That is one of the lessons that was interesting to learn this afternoon.

The other lesson concerns the abject silence from every other nominal supporter of this shabby motion. On the day that Ministers are announcing the formation of a gimmicky people's panel of 5,000 people, which the Government are to use as an enlarged focus group on which to test all their legislation, it seems particularly ironic that this people's panel—the Parliament of Great Britain—should be so completely ignored and treated with contempt. If the Government are prepared, uniquely, to put a guillotine motion on the Finance Bill to the House in this way, the least tribute that they could pay to hon. Members and, indeed, to those who sent us here, is to put up a few people to defend the motion.

Mr. Oliver Heald (North–East Hertfordshire): Or even attend.

Mr. Green: The fact that they have not bothered to do so is the most serious sign yet in eight weeks of arrogant government of just how arrogant the Government really are and how little regard they pay to the House.

It was also instructive to listen to the Financial Secretary moving the guillotine motion. One should perhaps deal directly with some of what one could charitably call the arguments that she offered in support of it. The first was that, faced with this unnecessary Budget, taxpayers want certainty. That is patently absurd. To say that people need to be certain that their pensions will be less valuable, that they will have to pay the 17 tax rises and that their mortgage and medical insurance will become more expensive is genuinely worrying, suggesting that during the past eight weeks the Treasury has lost the ability even to come up with a plausible line. The Minister was clearly talking tosh and she knew that at the time.

The Minister's only other argument in favour of the guillotine motion was that it had been done before by previous Conservative Governments. The House will be grateful to my right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) for so comprehensively blowing up that argument, proving that no similar guillotine has been imposed so soon after a Budget.

I urge the Government to learn the lessons of the past 18 years. They have spent 18 years criticising Conservative Governments. Perhaps one of their occasionally more justifiable criticisms was that rushed legislation is very likely to be bad legislation. Many of us have felt that. The most dangerous legislation to rush through—barely announced, certainly not analysed and not allowing for any consultation with outside bodies—is a Finance Bill. It is inevitably full of complex, technical issues that require detailed examination. It is certain that a Budget rushed through without proper consultation will prove to be a bad Budget for taxpayers and, in the end, for the Government.

The Government do not even have the excuse of the hysteria that has sometimes caused Governments to rush into ill-thought-out legislation. On occasion, the country has been seized by what feels like a moral panic, when there is a demand for action to which the Government have responded hastily and usually unwisely. That was not the case here. Nobody was demanding an early Budget from the Labour Government. Nobody would have objected if the Chancellor had arrived at No. 11 and the Treasury and said, "Well, we want to get on with it, but we think that it is sensible to think seriously about what we are going to do and carry on with the normal Budget timetable." There was no need for a July Budget and certainly no need for a Budget that is to be railroaded through the House with no proper examination.

We can dismiss the ostensible reasons that the Financial Secretary gave for the guillotine motion. What are the real reasons for the motion? The first is clearly that the Government are desperate to bring tax rises in as early as possible. They want to put taxes up now and put spending up later in the Parliament. They are determined to carry the tax rises through. Every month that they can bring them forward increases their revenue, taking yet more money out of the pockets of the British people. The increases in petrol duty and similar taxes will come into effect earlier than they would have done in a November Budget, allowing the Government to take more money from people, which will have a more damaging effect on the inflation rate and on all businesses that require motor transport.

The second reason is clearly that the Budget, like every other measure taken so far by the Government, is driven by the following day's headlines rather than by any long-term strategy. The most ridiculous claim so far made by the Government is that this is a Budget for the long term. Never has there been an Administration more driven by the short term. For the Government, the short term and the long term simply mean tomorrow morning's headlines. Nobody must be allowed to scrutinise the Budget properly, because that would reveal the ways in which it will unravel.

The Government are afraid not just of parliamentary scrutiny, as the guillotine motion shows, but, perhaps more seriously, of scrutiny by the many bodies outside Parliament that have expertise to bring to bear on the Budget process. It has already been observed during the debate that most of the amendments to Finance Bills in recent years have been introduced by the Government. Most of those changes are due to expert input from outside bodies that feel that they can contribute to good governance by responding to a Finance Bill and picking at its bones, telling the Government the unintended effects of certain clauses and how to write them in a different

[Mr. Green]

way. The guillotine motion will remove any possibility of those non-political expert outside bodies having a beneficial effect on the Budget.

Not only are the Government doing a disservice to the House and the electorate with the motion; they are doing a disservice to their Budget. They know that because of their approach and the speed with which they are putting the Budget through, they are making it even worse than it need be. The Government should do themselves a favour and not ram the Budget through in a way that is unnecessary and damaging to the British economy.

5.45 pm

Mr. Tim Collins (Westmorland and Lonsdale): Like my hon. Friend the Member for Ashford (Mr. Green), I shall start by referring to the speech of the hon. Member for Bolsover (Mr. Skinner), who, sadly, is not in his place. He told us that the Conservatives should not be allowed to protest at this extraordinary guillotine. He said that those who had supported the Jopling reforms did not have a leg to stand on, and should support all guillotines in all circumstances.

There are a number of new Conservative Members who were not around when the Jopling reforms were being passed. Lord Jopling, as he now is, was my predecessor as the Member of Parliament for Westmorland and Lonsdale, so it is not surprising that I support the principle of the reforms that he introduced. However, they merely acknowledged—as we all do—that a Government, particularly one with a parliamentary majority as great as the current Government's, have the right to put their business through on a timetable if they so choose and if that is the prudent and sensible thing to do.

But why are the Government so desperate to bring forward a guillotine motion at such an early stage? I think that there are three reasons. The first is that, as we have already seen, the new Government do not think much of the House of Commons. Even though they have such a huge majority in this Chamber, they would rather that the House did not trouble the Executive much, if at all.

The Government are moving steadily and with ever-increasing speed to take power and influence away from this Chamber. They have halved the number of opportunities for hon. Members to question the Prime Minister. Almost their first step was to transfer from the Chamber one of the key economic levers—the ability to change interest rates. Not only did the Government not wait to bring legislation before the House; they did not even wait for the House to return so that a statement could be made to it. The Government's first act on the international stage transferred yet more power away from the House to our European partners and to the Commission in Brussels.

The guillotine motion is yet another example of an arrogant Government moving steadily to take power, influence and now even the right of debate away from the Chamber, because they want to take their decisions in their way. Those decisions will be made in Brussels or Whitehall—anywhere but here.

The second reason for the motion is that the Chancellor got his timing wrong. When the Government were preparing for the election, we were told that they were ready to take power—ready to hit the ground running. Almost as soon as the Prime Minister became leader of the Labour party, he started to issue calls for a general election. He said that the Labour party was ready to take office and to shape the destiny of the nation.

From 1994 to 1996, the then Opposition told us that the Government should make way for a new political party which knew exactly what it wanted to do and which would be able to implement all the required decisions instantly on taking office. Yet, when the Chancellor came into office, the initial press briefings which said that we could expect a Budget by the end of May slid into those that stated that we could expect one in June. We ended up with the Budget in early July. We are now having to accelerate the pace of debate on the Bill because the Chancellor could not meet his original deadline for the Budget.

Some of us may be a little understanding about that. We might be prepared to accept that a new Government coming into office would need time to prepare a radical Budget, but are such Budgets unprecedented?

There was a change of Government in 1979, and a Budget was introduced, but the circumstances were different from those that existed this year. The current Government knew exactly when the general election would be held, because, for more than a year, there had been speculation that 1 May would the likely date for general election. In 1979, the general election took place only because the previous Government lost a vote of confidence in the House. Suddenly, the nation was catapulted into a general election.

Yet Geoffrey Howe, now Lord Howe, was able to prepare and introduce a Budget within four weeks of that election result. It can hardly be said that that Budget was uncontroversial and simple—it included a dramatic change in the balance of taxation between income tax and value added tax. It also laid the framework for the medium-term financial strategy, as well as the ground work for 18 years of achievement.

That Budget was ready within four weeks of the election, but the present Government could not get their Budget ready within nine weeks of taking office. It has not been introduced simply to set the windfall tax, which the British people were invited to endorse in the ballot box on 1 May. If that had been the case, the Budget could have been introduced without delay; instead, it includes 17 separate tax increases, which breach every pledge made by the Prime Minister and the Chancellor when they were in opposition. They needed time to prepare for those increases, which is why the Budget was late and why we will have to telescope debate.

Every stage of the Bill, from the announcement of the Budget through to the passage of the Finance Act, will be completed within the space of one month. That is quite extraordinary. That action is necessary because the Government are breaking their pledges and have been proved incompetent now that they are in charge of Treasury. They underestimated the time it would take to prepare a Budget.

The Government's actions are dictated by one part arrogance and one part incompetence, but there is another ingredient, which has been evident in the Chamber today—cowardice. The Government are afraid of debate.

Some of us have seen press reports in the past few weeks that the Minister without Portfolio has issued instructions to every Labour Member of Parliament to

seize every opportunity available in the House and outside it to blacken the reputation of 18 years of Conservative government. They are under instruction to spread a new mythology through the land that 18 years of Conservative government have damaged the fabric of our nation.

Even though the Labour party has now had to accept so many of our policies, from council house sales to trade union reform, privatisation and the nuclear deterrent, the Minister without Portfolio has said that Labour Members must take every opportunity to attack the record of Lady Thatcher and my right hon. Friend the Member for Huntingdon (Mr. Major).

Where are those Labour Members? Have they seized the opportunity of the debate to attack the record of the previous Government? No, they have not. Have they even seized the opportunity of the debate to speak in support of their Government, their Budget or the guillotine? No, they have not. Throughout the debate, there have been far more Conservative Members present than Labour ones.

Legend has it that 418 Labour Members were elected on 1 May, but 410 of them have been notable by their absence throughout the debate. Where are they? Have they been let off by the Minister without Portfolio to act on the wonderful phrase that he allowed his spin doctors to spin around the Chamber—that they would be sent home to acquaint themselves with their constituents? Is that where the 410 have gone? Why is that troupe of Labour Members not present for this important debate? Why will their Government do anything and everything to deny them free speech in a proper debate on the Finance Bill?

The reason for that silence was spelt out by the hon. Member for Bolsover, who said that there are just 100 Front-Bench jobs that the Prime Minister can offer, while 418 people are competing for them. He said that, in due course, the other 318 Members may find that the attractions of the Front Bench will simply never be available to them—mathematically, it is impossible for all of them to get a job. The hon. Gentleman advised that they should listen to what he had to say, and suggested that they should follow him in being a little creative, inspirational and flexible around the margins of Labour policy. That is what those on the Labour Front Bench fear. They fear not what we might say in a proper debate on the Finance Bill, but what their own Back Benchers would say in a proper debate.

Today, we have seen that arrogance and incompetence plus cowardice means rushed legislation and the introduction of a guillotine at a far earlier stage than in the proceedings of any previous Government. That has been done to attempt to stifle debate in the House. That will produce bad actions from a bad Government.

5.56 pm

Mr. Quentin Davies (Grantham and Stamford): The most extraordinary thing about the debate has been the absence throughout it, except during the speech of the Financial Secretary to the Treasury, of the Leader of the House. She presided over the introduction of the timetable motion, and decided to ride roughshod over the rights of the House by denying it the opportunity to scrutinise the legislation in whatever time we thought to be appropriate. She has adopted a procedure which "Erskine May" and all our traditions make it clear can be resorted to only in exceptional circumstances. Despite all that, the right hon. Lady left the Chamber after the introductory speech of her hon. Friend.

The right hon. Lady cannot even be bothered, or is not even willing, to display the courtesy of waiting to hear what the House, which she supposedly leads, thinks about the decision. I do not know what you think about leadership of that kind, Mr. Deputy Speaker, but it certainly does not meet my notion of what leadership of the House of Commons should involve.

This is a sad day for the House of Commons. I know that there have been timetable motions in the past—far too many, in my view—introduced by Conservative and Labour Governments, but today we are going further down the road. We have heard today that previous Governments have had excuses for introducing timetable motions that do not exist today. There have been filibusters in the course of Bills, and the Government of the day have had to resort to a timetable motion. All of us agree that, if there is a genuine filibuster, it is necessary to have the sanction of a timetable motion.

It has been said that, on previous occasions, the Finance Bill has been guillotined because there was a general election in the middle of it—the earlier part of it went through without a guillotine. That may not be a good excuse, either. I regret that guillotines should have been used so frequently. I for one never voted for the Jopling proposals, because I never wanted to curtail our debates artificially except in exceptional circumstances. I always believed that the onus must fall on the Government to show that the circumstances are genuinely exceptional.

But none of the excuses that have apparently been attached to previous timetable motions can be attached to today's motion. We have not started debate on the Finance Bill in Committee; there has been no filibuster, and no amendments have been tabled that might be regarded as obstructive. There has not been a general election in the middle of proceedings, after the initial publication of the Finance Bill. This is one further major step towards treating debates in the House as a perfunctory ritual exercise. That is extremely sad for anyone who believes in the useful role that the House should play. It is sad for the cause of good legislation. It is a bad day.

One cannot help noticing that the subject of today's guillotine motion is the Finance Bill. There is something special about Finance Bills; through them, we levy taxes—we take away a citizen's property. This place has been in existence for 700 years; we have always recognised the Finance Bill as one of its most vital and sensitive roles. We should not abuse the power we have to take away other people's property. By definition, we need to have the maximum debate, careful consideration and open argument. The Government who propose the fiscal measures should be forced to defend themselves.

Another matter, which is not quite so serious, but serious nevertheless, is that a Finance Bill is complex. No human being can honestly say that he or she is capable of grasping the full meaning of a Finance Bill on first reading. Even experts who make their living explaining the exigencies of Finance Bills to their clients would not dream of coming to too rapid a conclusion about their meaning. A Finance Bill needs more time for consideration than most legislation. It is important that experts and potential taxpayers who may bear the impact of the Finance Bill should have the opportunity to give it thorough consideration.

The House also needs to decide whether the Budget's basic fiscal judgment is appropriate. I argued strongly on Second Reading that it was inappropriate for a

[Mr. Quentin Davies]

Government who said clearly in the Red Book that the economy was overheating, that the output gap was close to zero, that there was more overheating in the service sector than in manufacturing, but that there were strong signs of excessive growth in consumption in both sectors—and all that before the windfall gains that have come to members of building societies as a result of the societies' demutualisation—not to introduce a Finance Bill to address those problems. Now is not the time to discuss whether the diagnosis was right. The Budget should provide an appropriate economic remedy.

We need time to debate such matters, and to make the essential calculations. The Red Book contains nothing about the incremental liability of companies to make additional provision to maintain the solvency of their occupational pension schemes. We know that many companies will have to make such additional provision; it is compulsory, under statute law passed through the House, that companies must maintain the solvency of their occupational pensions with guaranteed benefits.

However, we also know that, because of the abolition of the dividend tax credit—a provision contained in the Bill—the return on investments made by pension funds in British equities, which is far and away the biggest aspect of British pension funds' investment, will be substantially reduced. We know that there will be a burden on the corporate sector. The Government have not calculated that burden for us, but we need to know what it is before we can consider the Bill in the round. We cannot complete the calculation overnight; individual companies will have to use their computers and work out the figures so that we can see the aggregate position in the British economy as a whole.

It is an insult to give the House just 12 days to scrutinise—not merely nod through—complex legislation, to consider in detail the economic consequences of what is proposed, and to do an honest job for those who have sent us here. Frankly, it would be a joke were it not so serious. Such action is serious, not only in relation to the Bill's impact, but because the way in which the matter has been handled will have serious consequences for the respect in which Parliament and our procedures are held by the public.

The fact that, having introduced the shocking guillotine motion this afternoon, the Leader of the House cannot be bothered to listen to what we have to say about the measure that is about to be rammed through by an arrogant Government with an enormous majority, is perhaps the most disgraceful aspect of our proceedings.

6.5 pm

Sir Patrick Cormack (South Staffordshire): I almost feel that I should crave the House's indulgence for a maiden speech. To stand at the Dispatch Box and wind up a debate after 27 years is an unusual experience. It is also an unhappy one, not merely because of the subject matter, but because we have not really had a debate. There have been a series of admirable speeches from my right hon. and hon. Friends, but only two offerings from the Government.

The Financial Secretary tried hard, but did not succeed, to justify the application of the timetable motion. The hon. Member for Bolsover (Mr. Skinner), who is sadly not in his place now, gave an inimitable speech. He treated us to one of his three or four set-piece speeches and gave it with his customary panache. He made it quite plain that he was speaking for himself, standing alone. He also made it plain that he was hoping to become a recruiting sergeant for the 318 Labour Members of Parliament who are unlikely to get Government jobs. I hope that he succeeds: if he does, it might enliven our proceedings.

We must consider today's motion in the light of two factors. First, will the Budget and the Finance Bill receive adequate scrutiny and debate in Committee, both on the Floor of the House and in the Committee Room? Secondly, are the procedures of the House being sensibly and sensitively used by a Government who have proclaimed, through the Leader of the House—I am glad to see that she is at last returning to the Chamber—that they wish to see those procedures modernised and adapted?

If there are any problems over the timing of the Finance Bill, they are of the Government's own making. In an admirable and fluent speech, my hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) said that in 1979, when we had a change of Government and an election on 3 May, we had a fairly complex Budget on 12 June, followed by a Finance Bill. That Finance Bill was not guillotined. If this Government had stuck to their original date and produced a Budget on 10 June—throughout and just after the election, they were telling us that they were aiming for a Budget at about that time—we would have had adequate debate on the Finance Bill.

We could forgive the Government their actions if what they had produced was a Budget that merely enacted the measures that they had talked about during the election campaign—if it had been a Budget to introduce the windfall tax and virtually nothing else. But that is not the case. As hon. Member after hon. Member—including the hon. Member for Hazel Grove (Mr. Stunell), in an excellent contribution—has made plain, we are dealing with a major Budget and a major Finance Bill. The Bill will affect people throughout the country. My hon. Friend the Member for Ashford (Mr. Green) called it a short-term Budget and, in the context in which he used those words, they were entirely right and accurate. However, although it may be a short-term Budget, it will inflict long-term pain.

That we shall have, in effect, only two and a half hours to debate each of the four clauses to be taken on the Floor of the House is not only an insult to the House of Commons, but an insult to the people who sent us here and to all those whose lives will be touched and affected by the Finance Bill. We have to consider the changes to advance corporation tax—even the Leader of the House did not seem to be entirely clear about the implications when answering business questions last week—foreign income dividends and a whole range of measures that deserve proper consideration in the House. More important, there should be time to consult the outside interests who have legitimate points to make to their Members of Parliament.

The Leader of the House, who chairs the Select Committee on Modernisation of the House of Commons and does so with great distinction and good humour, is always reminding us—I shall not breach confidences by talking about what we are discussing upstairs—that we

need to have proper timetabling for Bills. I have never been a friend of the brutal guillotine and I have voted against guillotines introduced by Governments of both parties. I shall never forget five-in-a-day Michael Foot, when five guillotines were introduced in the House in one day under a previous Labour Government. I have always felt that the guillotine is a brutal weapon; at the same time, I have always favoured proper and adequate timetabling, but adequate timetabling means precisely that—there must be a proper opportunity to debate each issue in some detail. Nobody in this House can pretend for a moment that two and a half hours, which must encompass the Front-Bench speeches, is enough time to debate ACT or anything else of any importance. The Government are, indeed, behaving with Cromwellian disdain for this House—one wonders when someone will come in and tell us to "Take away these baubles." It is monstrous that such arrogance should be displayed so early in the life of a Government.

As my hon. Friend the Member for Aldridge–Brownhills (Mr. Shepherd) pointed out, this is the second guillotine on a major Bill in eight weeks. He made the excellent point, picked up by one or two other of my hon. Friends, that it is only just beginning to hit home with local authorities that they will be affected by the Budget and that there could be consequential increases in council tax throughout the country. Why is proper time not allowed for the Government to consult the leaders even of Labour-controlled local authorities? Sadly, at the moment the Conservatives do not control many local authorities, but the Paymaster General's party does and he is not allowing anything like enough time for proper consultation.

The Bill is being steamrollered through the House. In her admirable speech, my right hon. Friend the Member for South–West Norfolk (Mrs. Shephard) pointed out that, with all the Conservative Government's Finance Bills, there was an average of 77 days between publication of the Bill and the completion of its passage through the House; and that only two Finance Bills in 18 years were timetabled by the Conservative Government. Yet here we have a complex Bill, introduced on the eve of the recess, which is to be steamrollered through in this way.

There is no need for that to happen. The Leader of the House can keep us here in August if she wants to—we shall come; we shall debate the Bill; we have no objection. We would rather have the Finance Bill adequately and properly debated in August than rushed through in July. Such is the Government's majority that we know that they will get their way, so there is no particular reason why the Bill should not be completed when we come back, even if we do not come back until the traditional October. Sadly, I do not have the cottage in Sardinia that the hon. Member for Bolsover wished on me, but the Paymaster General has a villa in Tuscany and he is obviously longing to get there. It is not the shooting of grouse, but the basking in the Tuscan sun while drinking chianti that is propelling the Bill through the House. I should not say too much on that subject, because I live in the fond hope that I shall one day receive an invitation to that palatial home, in which so many of the great issues of the nation have been discussed over the past few years.

Mr. Skinner: There will be a lot of people in the queue.

Sir Patrick Cormack: I am sure that there will. The guest list is doubtless one of the most illustrious compiled in recent times.

Mr. Collins: Publish it.

Sir Patrick Cormack: Publish it, indeed.

To return to the purpose of the debate, this is a serious issue. Good humour should always enliven our debates and it is a good thing when it does, but I would say to all Labour Members—especially those who have recently joined our number—that they are doing no service, either to themselves or to their constituents, if they allow themselves to be used as ciphers and rubber-stamp everything that the Government of the day place before them. As one of my hon. Friends said, they must not allow themselves to be, in effect, usurped by the people's panels, the setting up of which was announced today.

If there is a true people's panel, it should be here in this House, whose Members are elected by the people—that is what we are here for. We are here to discuss, to debate, to deliberate and to scrutinise. It is the duty of the legislature to hold the Executive to account, regardless of which party the Executive come from. I can say that because I frequently made speeches critical of my own party when it was in government—that is probably why it has taken me 27 years to get to the Dispatch Box. Labour Members—especially those who are newly elected—should give a thought to this: there is no greater honour than to be elected to this House, but one is elected to this House as a representative of one's constituency; one's political party membership takes a very low second place to that.

Every Member of Parliament has a duty to scrutinise, to examine and to speak, and hon. Members who have absented themselves this afternoon from the debate and abdicated their opportunity to contribute to it have not been setting a good example or serving their constituents as well as they might have done. If we are able to agree on proposals to modernise the procedures of this House—I am bound to say that the actions of the Leader of the House call into question her sincerity in that respect—it is extremely important that everybody tries to make the new system work. It is not sensible debate when half the House absents itself for a whole afternoon.

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): It takes two sides.

Sir Patrick Cormack: The right hon. Lady says that it takes two sides, but this afternoon we have had only one

[Sir Patrick Cormack]

side—no Labour Back Bencher has been prepared to stand and speak in support of the motion. Perhaps I should draw a charitable conclusion from that and say that it is because the Government have no stomach for it. They certainly should not have the stomach for it, because it is despicable for the Government to place the motion before the House only eight weeks after the general election. Having bodged their timetabling, delayed the Budget unnecessarily and made it far more complex than it need have been—indeed, we need not have had a Budget until November—the Government are seeking to ride roughshod over the procedures and Members of the House.

I urge all hon. Members from minority parties, who I hope are here in force, to register their collective disapproval of a Government who have behaved with a disdainful arrogance that augurs ill for democracy.

6.20 pm

The Paymaster General (Mr. Geoffrey Robinson): I am sure that the whole House will join me in welcoming the hon. Member for South Staffordshire (Sir P. Cormack) to his new position as—I must get this right—deputy shadow Leader of the House. As he reminded us, he has been in this place for 27 years, and it is fitting that he should attain that rank and—as I am sure that the House will agree—much more during a distinguished career in this place.

Several times, the hon. Gentleman upbraided Labour Members for not being present in full force this afternoon. He and his hon. Friends have told us at great length and with great force that it is disgraceful that there is not enough time, in the timetable in the guillotine motion that we propose for the Finance Bill, for all aspects of the Bill to be studied thoroughly enough.

As Opposition Members will realise, we went to a great deal of trouble to provide time on Second Reading, and if the hon. Gentleman had been present, he would have seen that for hours on end there was barely a Conservative Member in the Chamber, let alone taking part in the debate. That is how phoney, hypocritical and irrelevant the tone of the Opposition speeches has been.

We are having the debate only because my hon. Friend the Member for Coventry, North–East (Mr. Ainsworth) could not get his opposite number, the Conservative Whip, the hon. Member for Maldon and Chelmsford, East (Mr. Whittingdale), even to talk about an end date for the Finance Bill. He was not allowed to. I have a handwritten but very detailed account from my hon. Friend about all his meetings—how hard he tried—

Mr. Garnier: Put him on oath.

Mr. Robinson: In case the hon. and learned Gentleman did not realise, we are all on oath in this Chamber. It is sad that he did not realise it, and many Opposition contributions would be much better if that fact were more widely realised.

My hon. Friend the Member for Coventry, North–East visited the Conservative Whip at 2.55 pm on 7 July. At 3.25 pm, my hon. Friend went to see him, and at 4 o'clock. He spoke with him at 4.27 pm. He agreed that they would meet—but the Whip had to rush off and see a Secretary of State; he could not meet my hon. Friend. Could he see my hon. Friend at 5 o'clock? He could not see him, and the one thing that he could not do was talk about the timetable. By the end of the day—the end of the titanic negotiation that had taken place between the two of them—the only items that could be discussed were the matters that should be taken on the Floor of the House and the size of the Committee. It went on similarly on 8 July and 9 July, and for that reason—because we could not reach a sensible understanding through the usual channels—we had to introduce a timetable motion.

Dr. Liam Fox (Woodspring): Will the hon. Gentleman give way?

Mr. Robinson: I want to make some progress.

Our objectives are twofold: to ensure time for adequate scrutiny of the Budget, and to ensure that we deliver on our commitment to the people of the United Kingdom before the autumn. The guillotine motion is the only way in which to achieve those objectives. The timetable is necessary because we will not let the Opposition stand in the way of legislation, to ensure that the priorities that people voted for on 1 May and which are contained in the Finance Bill come into force. We will not let delaying tactics by the Opposition stand in the way of the priorities of the British people.

The British people voted for a cut in VAT on fuel to 5 per cent.; the Finance Bill cuts VAT on fuel to 5 per cent. We want that legislation passed as soon as possible, so that the bills are cut by the winter. That is why we are introducing the change on 1 September, and we will not let the Opposition stand in the way.

The British people voted for a windfall levy on the excess profits of the privatised utilities, to help us move people from welfare to work. The Finance Bill legislates for the windfall levy. We want the programme of work for the young unemployed, the long-term unemployed and single parents to be up and running as soon as possible.

Mr. Peter Lilley (Hitchin and Harpenden): I thank the hon. Gentleman for giving way, unlike the Financial Secretary to the Treasury. He bases his argument, as she did, on promises made by the Labour party. Did the British people vote for 17 tax increases? Above all, did they vote for the imposition of £5 billion tax on their pension funds? The answer is no, so those measures should not be rammed through by a guillotine motion.

Mr. Robinson: People voted in record numbers for a Labour Government, who gained a massive majority, when a windfall tax and a cut in VAT on fuel had been clearly spelt out in the Labour manifesto, as had an economic policy based on the medium and long term, not on the short-term fixes that the country got sick of under the Tories.

Dr. Fox: The hon. Gentleman mentioned detailed contacts between the Whips Offices. I wonder whether he has the authority of the Chief Whip and the Leader of the House to make public contacts between the usual channels, and whether that is the way in which the Government will do business in future.

Mr. Robinson: I am merely explaining why it was impossible to reach an agreed timetable for the Bill and why, with great regret, we had to introduce a timetable motion.

Mrs. Gillian Shephard: We heard all that from the Financial Secretary to the Treasury. May we now hear, concisely, exactly how the timetable promotes sensible input, partnership and consultation with the business sector, so vaunted by the Government?

Mr. Robinson: We have an excellent set of relationships with the business sector. As the right hon. Lady knows, business people voted for us in droves and explained why they had done so, and we shall continue to develop those excellent relationships as the business sector looks forward to a Labour Government with not one period in office but, in all probability, two.

We have had all the usual hypocritical high dudgeon from Opposition Members. They seem to be upset that they are not introducing the motion themselves. After all, they have had plenty of practice, and we need no lectures from a Tory Government who introduced 82 guillotines on 61 Bills.

In February 1994, there were four guillotines in four weeks. The Tories guillotined the longest Finance Bill in history—244 clauses and 24 schedules—after only five hours in Committee; and the right hon. Member for South-West Norfolk (Mrs. Shephard) has the gall to lecture us, telling us that "Erskine May" says that only after a suitable and appropriate number of hours in Committee should a timetable motion be introduced. I am talking about facts; Conservative Members do not want to hear about them, but they will have to.

This time round, a new element has crept into the Tories' approach—an extension to opposition of their incompetence in government. I am so pleased that the deputy shadow Chancellor of the Exchequer, the hon. Member for Daventry (Mr. Boswell), is in the Chamber.

Mr. Stunell: Will the hon. Gentleman give way?

Mr. Robinson: I shall in a moment.

As the hon. and learned Member for Harborough (Mr. Garnier) pointed out, we start the Committee on the Floor of the House tomorrow, between 3.30 pm and 3.45 pm. We look forward to a great deal of technical debate, inspired by the depth of knowledge and other characteristics that Opposition Members will bring to the Committee.

I hate to tell the House that, of the eight amendments so far tabled by the Opposition, none has been accepted by the House authorities as being in order for debate and Division. We have a situation, unique in my knowledge of Committee work, where tomorrow, even if starred amendments are introduced today, there will be no Opposition amendment that we can debate specifically and on which the Committee can divide—and the shadow Chancellor prides himself on his intellectual mastery of detail.

Since I entered the House, I have believed that a Government with a working majority—we certainly seem to have that—have a right to get their business through the House. In doing so, they should show regard for the Opposition, for minority parties and for Back Benchers on both sides of the House; we have certainly done that. While we are anxious to put our policies into action as soon as possible, we are also keen to allow hon. Members and people outside the House to scrutinise the measures in the Budget and to consider its details carefully. That is why we have allowed two days in Committee on the Floor of the House, which, incidentally, is the same as the previous Government allowed in 1996-97 for a Finance Bill that had twice the number of clauses as ours. It is also the same amount of time as they gave their Finance Bill in 1995-96, which had four times the number of clauses as the Bill before the House.

Mr. Stunell: The Minister seems to base a substantial part of his case on the fact that, because the Tories did the same, it is all right for Labour to do it. Can he expound that argument a little further in relation to financial and other matters on which the Opposition have criticised the Government?

Mr. Robinson: It would be more encouraging if the Liberal Democrat Opposition had done what they did on previous occasions and supported timetable motions put forward by the Conservative Government. The hon. Gentleman must consider that we wanted to avoid a guillotine motion but, because the Opposition would not consider an end date for the Bill, we resorted reluctantly to the guillotine.

Despite all that, we have ensured that the four big issues—the windfall tax, MIRAS, medical insurance and pension tax credits—which the Opposition wanted to debate on the Floor of the House, will be debated here. We have enabled the Standing Committee to meet for five days, which is more time per clause than the previous Government usually allowed.

The length of the Budget debate was agreed in the usual way, and we had four days' debate instead of the two days that the Opposition originally proposed. We now know why they proposed only two days—there is so little real interest on the Opposition Benches that they could not keep anything near an acceptable complement of their Members in the Chamber.

We tried time and again to agree a timetable with the Opposition. We agreed to their request for a Standing Committee of 35 members, which is 25 per cent. more than the Standing Committee that dealt with the

[Mr. Robinson]

previous Finance Bill. Although we have increased the number and extended the time as far as we reasonably can, it is still beyond their wit and competence to introduce a single amendment for the first stage of the Committee tomorrow on the Floor of the House, which will deal with the windfall tax. We have agreed with the Opposition on what the issues should be. We even agreed to have a later Committee stage, to give them time to get their act together.

The Tories on the Standing Committee should therefore knuckle down, put in the work and stop whingeing. Above all, they should start to get a grip of the Bill that they want to scrutinise. We had no choice but to impose a guillotine motion, to ensure that the Bill is passed before the summer recess.

The Opposition say that they are worried that interested bodies will not have an adequate chance to comment on the Budget. We welcome their scrutiny, which is why we published the Bill in draft before its formal publication. We provided that amendments could be tabled from Monday evening, even before Second Reading, but still the Opposition have not tabled one that is in order.

The election on 1 May showed decisively that the British people wanted Britain to be set on a new course. The Finance Bill puts our manifesto commitments into practice. It starts to equip our country for the future and it meets the people's priorities. The Opposition should stop trying to re-fight the battles of the election, because the British people have made their choice. We shall not allow the Opposition to obstruct the will of the British people or the people's priorities. The Finance Bill keeps our promises to the British people and stands up for the people's priorities. I commend the timetable motion to the House.

Question put:—

The House divided: Ayes 342, Noes 175.

Division No. 53] **[6.33 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Rt Hon Dr John *(Copeland)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Mrs Tess
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*

McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McIsaac, Shona
Mackinlay, Andrew
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Malialieu, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Kevin Hughes and Mr. John McAllion.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard *(Sheff'ld Hallam)*
Arness, David
Arbuthnot, James
Atkinson, Peter *(Hexham)*
Baker, Norman
Ballard, Mrs Jackie
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brake, Thomas
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burstow, Paul
Butterfill, John
Cable, Dr Vincent
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Ewing, Mrs Margaret
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Heath, David *(Somerton & Frome)*
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(N Essex)*
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maginnis, Ken
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Michie, Mrs Ray *(Argyll & Bute)*
Nicholls, Patrick
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rowe, Andrew *(Faversham)*
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Simpson, Keith *(Mid–Norfolk)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond

Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Temple-Morris, Peter
Tonge, Dr Jenny
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Oliver Heald and
Mr. Malcolm Moss.

Question accordingly agreed to.

Resolved,

That the following provisions shall apply to the remaining proceedings on the Finance Bill:—

Committee of the whole House

1.—(1) The proceedings in Committee of the whole House shall be completed in two allotted days.

(2) The proceedings to be taken on each of those days shall be as shown in the second column, and shall be brought to a conclusion at the times specified in the third column, of the following Table:—

TABLE

Allotted day	*Proceedings*	*Time for conclusion of proceedings*
First day	Clause 1	7:00 p.m.
	Clause 15	10:00 p.m.
Second day	Clause 17	7:00 p.m.
	Clause 19	10:00 p.m.

(3) When the Order of the day is read for the House to resolve itself into a Committee on the Bill, the Speaker shall leave the chair without putting any Question and the House shall resolve itself into a Committee forthwith whether or not notice of an instruction to the Committee has been given; and Standing Order No. 66 (Committee of the whole House on bill) shall not apply.

(4) No Motion shall be made as to the order in which proceedings are to be considered in Committee of the whole House.

(5) Standing Order No. 82 (Business Committee) shall not apply in relation to the proceedings to which this paragraph applies.

Standing Committee

2.—(1) The Standing Committee to which the remainder of the Bill is allocated shall report the Bill not later than 23rd July.

(2) The Standing Committee shall have leave to sit twice on the first day on which it shall meet.

(3) Proceedings in the Standing Committee on 23rd July may continue until Ten o'clock whether or not the House is adjourned before that time, and if the House is adjourned before those proceedings have been brought to a conclusion, the Standing Committee shall report the Bill to the House on 24th July.

Report and Third Reading

3.—(1) Proceedings on consideration and Third Reading shall be completed in two allotted days and shall be brought to a conclusion at Ten o'clock on the second of those days.

(2) The Third Reading may be proceeded with at the conclusion of the proceedings on consideration, notwithstanding the practice of the House as to the interval between stages of a Bill brought in on Ways and Means resolutions.

Business Committee

4.—(1) For the purposes of Standing Order No. 82 (Business Committee) paragraph 3 of this Order shall be taken to allot to the proceedings on consideration such part of the allotted days as the Resolution of the Business Committee may determine.

(2) The Business Committee shall report to the House its Resolution as to the proceedings on consideration of the Bill, and as to the allocation of time between those proceedings and proceedings on Third Reading, not later than 25th July.

(3) Any resolution of the Business Committee may be varied by a further Report of the Committee under Standing Order No. 82, whether before or after the date on which the Committee is to report under this paragraph and whether or not that Resolution has been agreed to by the House.

(4) No Motion shall be made as to the order in which proceedings are to be taken on consideration, but the Resolutions of the Business Committee may include alterations to that order.

Procedure in Standing Committee

5.—(1) At a sitting of the Standing Committee at which any proceedings on the Bill are to be brought to a conclusion under a Resolution of the Business Sub-Committee, the Chairman shall not adjourn the Committee under any Order relating to the sittings of the Committee until those proceedings have been brought to a conclusion.

(2) No Motion shall be made in the Standing Committee relating to the sitting of the Committee except by a Minister of the Crown, and the Chairman shall permit a brief explanatory statement from the Member who moves, and from a Member who opposes, the Motion, and shall then put the Question thereon.

(3) No Motion shall be made as to the order in which proceedings are to be considered in the Standing Committee, but the Resolutions of the Business Sub-Committee may include alterations in that order.

Report of proceedings in Committee

6. On the conclusion of the proceedings in any Committee on the Bill, the Chairman shall report such of the Bill's provisions as were committed (or re-committed) to that Committee to the House without putting any Question.

Dilatory Motions

7. No dilatory Motion with respect to, or in the course of proceedings on, the Bill shall be made in the Standing Committee or on an allotted day except by a Minister of the Crown; and the Question on any such Motion shall be put forthwith.

Exempted business

8. On an allotted day paragraph (1) of Standing Order No. 15 (Exempted business) shall not apply by virtue of paragraph (a) of that paragraph to any proceedings on the Bill after the conclusion of all the proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion on that day.

Private business

9.—(1) Any private business which has been set down for consideration at Seven o'clock on an allotted day shall, instead of being considered as provided by Standing Orders, be considered at the conclusion of the proceedings on the Bill on that day.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to the private business for a period of three hours from the conclusion of the proceedings on the Bill or, if those proceedings are concluded before Ten o'clock, for a period equal to the time elapsing between Seven o'clock and the conclusion of those proceedings.

Conclusion of proceedings

10. For the purpose of bringing to a conclusion any proceedings which are to be brought to a conclusion at a time appointed by this Order or a Resolution of the Business Committee or the Business Sub-Committee and which have not previously been brought to a conclusion, the Chairman or the Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed (including, in the case of a new Clause or new Schedule which has been read a second time, whether before the time so appointed or in pursuance of paragraph (a), the Question that the Clause or Schedule, or the Clause or Schedule as amended, be added to the Bill);

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded;

and on a Motion so made for a new Clause or new Schedule, the Chairman or the Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

11.—(1) Proceedings under paragraph 10 of this Order shall not be interrupted under any Standing Order relating to the sittings of the House.

(2) If an allotted day is one on which a Motion for the adjournment of the House under Standing Order No. 24 (Adjournment on specific and important matter that should have urgent consideration) would, apart from this Order, stand over to Seven o'clock and proceedings to which this Order applies have begun before that time—

(a) that Motion shall stand over until the conclusion of any proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion at or before that time;

(b) the bringing to a conclusion of any proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion after that time shall be postponed for a period equal to the duration of the proceedings on that Motion.

(3) If an allotted day is one to which a Motion for the adjournment of the House under Standing Order No. 24 stands over from an earlier day, the bringing to a conclusion of any proceedings on the Bill which, under this Order or a Resolution of the Business Committee, are to be brought to a conclusion on that day shall be postponed for a period equal to the duration of the proceedings on that Motion.

Supplemental orders

12.—(1) The proceedings on any Motion made in the House by a Minister of the Crown for varying or supplementing the provisions of this Order (including anything which might have been the subject of a report of the Business Committee or the Business Sub-Committee) shall, if not previously concluded, be brought to a conclusion one hour after they have been commenced.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

(3) If on an allotted day on which any proceedings on the Bill are to be brought to a conclusion at a time appointed by this Order or a Resolution of the Business Committee the House is adjourned, or the sitting is suspended, before that time no notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

Saving

13. Nothing in this Order or a Resolution of the Business Committee or the Business Sub-Committee shall—

(a) prevent any proceedings to which the Order or Resolution applies from being taken or completed earlier than is required by the Order or Resolution; or

(b) prevent any business (whether on the Bill or not) from being proceeded with on any day after the completion of all such proceedings on the Bill as are to be taken on that day.

Recommittal

14.—(1). References in this Order to proceedings on consideration or proceedings on Third Reading include references to proceedings at those stages respectively, for, on or in consequence of, recommittal.

(2) On an allotted day no debate shall be permitted on any Motion to recommit the Bill (whether as a whole or otherwise), and the Speaker shall put forthwith any Question necessary to dispose of the Motion, including the Question on any amendment moved to the Question.

Interpretation

15. In this Order—

"allotted day" means any day (other than a Friday) on which the Bill is put down as first Government Order of the Day, provided that a Motion for allotting time to the proceedings on the Bill to be taken on that day either has been agreed on a previous day, or is set down for consideration on that day;

"the Bill" means the Finance Bill;

"Resolution of the Business Committee" means a Resolution of the Business Committee as agreed to by the House; and

"Resolution of the Business Sub-Committee" means a Resolution of the Business Sub-Committee as agreed to by the Standing Committee.

Orders of the Day

National Health Service (Private Finance) Bill [*Lords*]

Order for Second Reading read.

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to announce that the amendment in the name of the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) has not been selected.

6.48 pm

The Minister of State, Department of Health (Mr. Alan Milburn): I beg to move, That the Bill be now read a Second time.

Two weeks ago, I announced the outcome of a review of all the major private finance initiative acute schemes in the national health service. I gave the go-ahead to 14 hospital projects that the Government believe are likely to contribute most to the health care needs of their local communities and proceed most rapidly to an affordable, value-for-money financial close. Those not selected had the right to make representations about the decision and the list cannot be regarded as closed until they have all been considered.

Prioritisation means that the chosen projects can be expected to reach financial close within the next 18 months. As I have stressed throughout, I shall not hesitate to cancel any contract that fails to deliver on time and on price. However, I am confident that work will be well under way on site by the turn of the decade on each of the pathfinder schemes, which will deliver much needed and long overdue hospitals to communities that have waited too long for them.

Mr. Simon Hughes (Southwark, North and Bermondsey): Can the Minister say whether any of the trusts responded to the opportunity to make representations within 10 days and, if so, how many and which ones?

Mr. Milburn: A number of trusts responded and have made representations. Today is the last day for representations to be received. From memory, I believe that eight or nine responded. Perhaps I can give the hon. Gentleman a list later. That was his first question; I hope that it may also be his last, but I am probably over-optimistic about that.

The fact that both the national health service and the private sector—banks, contractors and builders—have given such a warm welcome to the Government's announcement speaks for itself. The House must recognise that four or five years of indecision and inaction had sapped confidence in the viability of the PFI. The prioritisation process has helped to secure confidence on all sides. I make no apology for taking decisive action to unlock the PFI gridlock in the national health service.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): I apologise for interrupting my hon. Friend. I will ask just one question. My hon. Friend will know from the disastrous privatisation of the railways that the taxpayer can come a pretty bad second in any of these arrangements, particularly in relation to the health service. We want new hospitals to make up for the neglect, but we must ensure that taxpayers will not pay more in the long run than they would have done otherwise, and for an inferior service. Can my hon. Friend assure me that that aspect has been looked at carefully?

Mr. Milburn: I am grateful for my hon. Friend's comments. I can give her that assurance. Indeed, no PFI scheme will get the go-ahead unless it can demonstrate improved value for money for the taxpayer as well as meeting real strategic health need in local communities. That is the essence of the private finance initiative. I am very pleased to be able to give my hon. Friend that undertaking.

Mr. Dale Campbell-Savours (Workington): May I press my hon. Friend a little further on that? It is a very important issue, as my hon. Friend clearly recognises. Will there be a public sector comparator that we can examine for each project so that we can see what the real figures are?

Mr. Milburn: As my hon. Friend possibly realises, to date much of the process of the PFI has been shrouded in secrecy, which has helped to devalue the currency of the private finance initiative in the national health service. I am happy to give an undertaking that in future the public sector comparator will be published at the appropriate time so that hon. Members and, indeed, local communities can better judge for themselves the content of PFI schemes and make sure that they mean improved value for money for the taxpayer.

Mr. Campbell-Savours: May I press my hon. Friend once again on that matter? I am pleased to hear those responses, which I am sure will be very reassuring. Of the schemes that are proceeding, can we assume that at some stage—perhaps my hon. Friend can say at what stage—information will surface to show that they are more economic in terms of the public sector comparator?

Mr. Milburn: That is indeed the case. When the final transactions are concluded on the 14 deals—if 14 there are, bearing in mind the representations—we shall make information publicly available to demonstrate the very point that I have just made: that they do indeed make more economic sense from the point of view of the national health service.

Mr. Michael Jack (Fylde): I am grateful to the Minister for giving way so early. He criticised the past four to five years as a period of inactivity due to problems with the private finance initiative. Before the end of the Second Reading debate, will he tell us how many district general hospitals valued at, say, £25 million or above were completed in each of the past five years?

Mr. Milburn: I will endeavour to provide that information for the right hon. Gentleman.

Mr. Simon Hughes: The logical question which follows that asked by the hon. Member for Workington (Mr. Campbell-Savours) is whether the Minister will also publish the criteria for what in shorthand was called the PFI ability. If we are to have comparators, we also have

to know whether, for example, value for money is measured over 25 or 50 years and whether to take into account the cost of borrowing and payback; we also need to take into account the certainty of the use of the building and the variability of the demand for a particular service.

Mr. Milburn: All of those are extremely reasonable points. As I understand it, information has already been placed in the Library. Indeed, I wrote to all hon. Members on both sides of the House acquainting them with the prioritisation exercise, the criteria and the assessments that were undertaken. It has been a very open and very fair process. I shall, of course, endeavour to ensure that appropriate information is made available.

Perhaps one point about which I can assure the hon. Gentleman and some of my hon. Friends is that the PFI represents a good deal on major acute hospital schemes precisely because it includes not just the building of the hospital but the maintenance over the life of the contract. We all know from experience in our own communities the horrendous maintenance backlog that has built up, particularly during the course of the past 18 years. The PFI offers an opportunity not just to have up-to-date hospitals now but to have up-to-date hospitals in five, 10, 15, 20 and 25 years' time. That will be a real boon for the national health service.

I make no apology for taking that decisive action, but I realise that it has left some trusts and, indeed, some colleagues very disappointed. I can understand their concerns. Perhaps the most shocking thing that I found during my many meetings with colleagues on both sides of the House in the lead-up to the prioritisation announcement was the evidence that they brought with them of the appalling physical state of their local hospital buildings. Years of neglect have contributed to a considerable backlog of restoration and replacement work. Unless we act now, we shall face a real danger that the 21st-century NHS will be operating out of hospitals built in the 19th century.

Mr. Simon Hughes: I shall try to limit myself after this to one more intervention.

The Minister is right. Will he give his Department's estimate of the capital repairs and maintenance backlog? Will he also tell us whether the Government are continuing to sustain the Tory Government's 16 per cent. capital reduction in public funding this year, and what the capital reduction will be next year and the year after?

Mr. Milburn: From memory, I think that the estimated backlog in repairs, from the Department's point of view, amounts to about £2 billion. We shall consider capital and revenue allocations in the light of my right hon. Friend the Chancellor's recent Budget announcement allocating a further £1.2 billion for the national health service. Before the hon. Gentleman gets too smug about this, I note that in the Liberal Democrat manifesto the Liberals were talking about putting an extra £500 million into the national health service. We have already trumped that figure. Indeed, we have doubled it.

As I have said, unless we act now, we shall face the very real danger that the NHS of the 21st century will be operating out of hospitals built in the 19th century. That is why the Government have acted to get the hospital building programme moving. The announcement that I made two weeks ago is just the first wave of new hospitals for the next century. I intend to make a further announcement about the second wave in spring next year. The second wave will be based on assessments made by NHS regional offices of the health service need for large capital development projects in their areas.

In other words, in future it will no longer be the whims of the market that drive hospital building; it will be the needs of patients. No more, no less. As the party that created the national health service and, indeed, first advocated public-private partnerships to improve investment in public services, it is our duty to make the PFI deliver the goods for the benefit of all patients. Now that we have a sensible number of projects in play, we must ensure that they reach financial close without too much delay. That is the purpose of the Bill.

The Bill makes it clear that NHS trusts have the power to enter into PFI contracts so that the financial community can have the confidence that it needs to provide funding for the most advanced hospital development projects. The Bill should also be seen as another important step in our programme to develop new forms of public-private partnership, of which the PFI is one model. The NHS needs high-quality facilities to deliver world-class services. The PFI undoubtedly has the potential to provide those facilities, but despite all the promises of jam tomorrow, not one major hospital has been built through the PFI since the initiative was first launched in 1992.

In theory, under the PFI the public sector does not pay to build a hospital; it pays for the delivery of a specified service to agreed quality standards. No payment is made until the new facility is ready, and any diminution in service standards can lead to a reduction in payments. So far, so good. Unfortunately, however, the PFI in the NHS has never left the drawing board. Some small schemes have been brought to fruition—car parks, accommodation blocks and so on—but the urgently needed major hospital building programme has been stopped dead in its tracks.

Mr. George Stevenson (Stoke–on–Trent, South): I am concerned about the interface between smaller and larger schemes. I am sure that most of us welcome my hon. Friend's initiative, but can he give us some assurances about smaller schemes, which are as important to the community as larger schemes? A smaller scheme in my constituency of £1 million has been held up over the past four years. It is in the hands of the West Midlands regional executive committee. No progress has been made.

Mr. Milburn: I shall be announcing in due course what progress we intend to make with smaller schemes. If the scheme to which my hon. Friend refers involves less than £1 million, it is within the powers of the individual trust to make progress with it. If it is not doing so, I suggest that he takes up the issue with the local trust management. If my hon. Friend wishes, I shall be happy to look into the issue that he has raised.

Smaller schemes have not been the problem, but little initiative has been forthcoming to provide for urgently needed major hospitals. Time has been wasted in wrestling with apparently insurmountable problems, and £30 million that might have been better spent on direct patient care has been used by NHS trusts on legal, financial and other consultancy fees without one major

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contract being secured. There is always a steep learning curve when initiatives are introduced and tested, and it costs money to obtain expert help. In reality, however, the record of the past few years has been appalling. To expend such a level of public money without one positive result is an unenviable record.

Mr. Chris Pond (Gravesham): My constituents and my hon. Friend the Member for Dartford (Dr. Stoate) will be emphasising the fact that they have waited for years, notwithstanding promises, for a new district hospital. It is only now that the initiative is being put into place. One of the difficulties, as my hon. Friend will accept, is that in such lengthy processes, and despite all the expenditure on consultants, we may end up with hospitals that may not fully meet the needs of the districts that they are designed to serve.

In the health district within my constituency there are about 500 beds. Every general practitioner in the district considers that provision to be inadequate. With the PFI project negotiated by my hon. Friend's predecessors, who tried to rush the contract through, the proposal amounts to only 400 beds. In the longer term, shall we see measures to ensure that contracts meet the health needs of the districts in which they are to operate? I ask that question while very much welcoming the PFI proposal for Dartford and Gravesham.

Mr. Milburn: I know that my hon. Friend is an advocate of the proposed new hospital in his constituency. He has been lobbying consistently for progress to be made. I would expect that all health authorities would continue to ensure that PFI projects in their areas, once under way, met local health service requirements. I would expect especially that in the annual contracting round the issue of the number of NHS beds available in any hospital, whether publicly funded or funded through the PFI, would be properly taken into account when commissioners were reaching financial agreements with providers of services.

Mr. Simon Hughes *rose—*

Mr. Milburn: The hon. Gentleman wishes to intervene again. I have given him a couple of cracks of the whip already and I know that he will make a long speech. He has also tabled a large number of amendments. I therefore ask him to hold his horses for a moment or two.

The Government draw no pleasure from the fact that the previous Administration were unable to make the PFI work in the NHS. The real losers—those who suffered most—were the patients in need of treatment and the doctors, nurses and other health professionals who had to work in inadequate facilities. They are why we gave our manifesto commitment to overcome the problems that have plagued the PFI in health, and we are honouring that commitment.

My hon. Friend the Paymaster General commissioned a rapid review of the PFI across Government, and he has accepted all the recommendations contained in Malcolm Bates's report. My hon. Friend has already announced the creation of a new Treasury private finance task force, which will focus on the quality of PFI transactions. Its tasks will include helping central Government Departments and agencies to road-test significant projects for commercial viability before procurement begins. My Department looks forward to working with the task force to deliver real improvements to the NHS-PFI programme in future.

To complement that work, we are undertaking an overall review of the workings of the PFI in health. We are committed to end delays, to sort out confusion and to develop new forms of public-private partnership that work better and protect the interests of the NHS. The review will help us to secure the market, improve the process and develop the project. We shall be listening to the views of both public and private sectors. The objective will be to identify how to make the best use of skills and expertise from both sectors for the benefit of patients.

The proposed legislation before us will remove the most significant obstacle in the way of pathfinding schemes. There is no lack of support or interest in the financial community for the PFI in health. Banks are concerned, however, that there is some doubt about whether NHS trusts can enter into PFI contracts. Our legal advice is that the National Health Service and Community Care Act 1990, which sets out trust powers, provides the power for entry into PFI contracts. At the same time, the PFI is obviously not explicitly referred to in the 1990 Act. Banks remain concerned that they may not be able to recover their money if, at some stage in the future, PFI contracts are found to be ultra vires for the trust. The banks have been chastened by their problems in other sectors and are unwilling to take what they perceive to be an excessive and unnecessary risk without further legislative cover. The possibility of a statutory instrument has already been explored, but it is clear that that would not resolve their concerns.

In those circumstances, primary legislation is necessary, and the Bill removes any doubt about the power of an NHS trust to enter into contracts under the PFI. The banks concerned with the leading projects, including the one in Dartford, have seen and agreed the wording of the Bill. They have made it clear that the wording satisfies all their outstanding concerns. As a result, they will be prepared to lend into the leading schemes once the Bill is enacted. We believe that the legislation will also provide security and confidence to enable successor schemes to reach financial close without hindrance.

Clause 1 provides that the powers of an NHS trust include the ability to enter into agreements certified by the Secretary of State as externally financed development agreements, and specifies the circumstances in which the Secretary of State may give a certificate to that effect. In practice, we expect all but the very lowest value contracts to be certified. Individual trusts have thresholds below which they can approve schemes without reference to the Secretary of State. There are three different levels of threshold, which are set in relation to the turnover of the trust. Rather than state an absolute de minimis limit for certification, we propose that contracts whose value is below the trust's delegated limit will not be certified. We shall make that requirement clear in guidance.

Clause 1(6) of the Bill makes it clear that the validity of such contracts—indeed, any contracts made by NHS trusts in the past, now or in the future—will in no way be affected by the lack of a certificate: they will stand or fall

on their merits. We know from experience that there has largely been no problem in funding smaller schemes; it is the major, acute schemes that have encountered problems.

Clause 2 allows any corresponding provision made by Order in Council in respect of Northern Ireland to be subject to the negative resolution procedure.

It will be apparent from the brevity of the Bill that this legislation is straightforward and uncomplicated.

Mr. Simon Hughes *rose—*

Mr. Milburn: I know that the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) does not think so, but he must wait his turn.

The Bill fulfils a manifesto commitment, and its purpose is transparent: to remove any doubt about the power of an NHS trust to enter into contracts under the PFI.

When the Bill was considered in the other place, a number of amendments were tabled, but were subsequently withdrawn following clarification by my noble Friend Baroness Jay of Paddington. One amendment, however, was accepted, as we agreed that it improved the comprehensibility of the Bill without detracting from the achievement of its objective. The amendment substituted a new subsection (6) in clause 1, which broadens the scope of the original subsection. The provision is in much shorter and simpler terms than its predecessor. It was a victory for plain English, and those are few and far between in the House.

It is fair to say that there was underlying support for the Bill from all quarters, but one issue of contention arose over the question of services in PFI deals. Concern was expressed that clinical services might be included in a PFI deal. That certainly was the case under the previous Administration, but not under this Government: indeed, it is our stated manifesto policy that clinical services are excluded from the PFI.

However, we have acknowledged that there is a continuing debate about some of the grey areas, especially the definitions of so-called clinical support services, and we have said that that will be addressed as part of the wider review of the PFI in health that is under way. It is obviously essential to consult widely on such a sensitive issue before decisions are made. Any schemes proposed before the review is complete will be considered case by case. Projects will not be allowed to proceed if they transfer to the private sector categories of services that Ministers believe, in the interests of the health service, should be provided directly by NHS bodies.

By the end of the year, once the review is complete, we shall have a categorical statement of what may or may not be included in the PFI. I do not propose to anticipate the detail of that review, but I am pleased to be able to repeat for the benefit of hon. Members an assurance given by my hon. Friend in the other place that pathology and radiology services will be excluded from the PFI. I know that there will be other services about which hon. Members will want similar assurances, but I believe strongly that the review should be conducted before conclusions are drawn. Our commitments on pathology and radiology are given in response to specific issues that have been raised during the passage of the Bill, and to act as a signpost for the future.

It is important that in the future the interests of employees are properly taken into account as they, too, are significant stakeholders in the national health service.

Lest there be any confusion, I should like to take the opportunity to remove any other doubts about the Government's intentions on the NHS. We will renew the health service. We will tackle bureaucracy and we will replace the internal market. We will do that not behind closed doors, but in a constructive and open partnership with all those who care about the service: the patients who use it and the community health councils that represent them, the clinicians who provide the service, the managers and other staff who support it and the taxpayers who pay for it. Above all, the NHS under this Government will remain a truly national health service, available to all on the basis of clinical need.

Two weeks ago my right hon. Friend the Chancellor of the Exchequer gave a massive boost to everyone who cares about the NHS by announcing an extra £1.2 billion for patient care. As a result of prioritising major acute schemes, we have also been able to secure the largest new hospital building programme in the history of the NHS. The programme is worth around £1.3 billion. Taken together, those undertakings represent an extra £2.5 billion to take forward the modernisation of the health service.

It is clear that we are putting the people's priorities first. We are determined to get hospitals built, rather than just talk about them being built. Not one hospital planned under the PFI has yet got off the drawing board. I am determined to put that right. By enacting this legislation, we shall be able to start constructing the new facilities that the NHS so badly needs. We gave a manifesto commitment to sort out the mess in which the PFI had been left, and we are delivering on that commitment. This is a practical, essential and simple measure and I commend it to the House.

7.15 pm

Mr. John Maples (Stratford–on–Avon): I must, first, deal with the Minister's imaginative arithmetic. Of the £1.2 billion, only £1 billion is for England. That represents a lower real increase in spending than the increase that the previous Government proposed for this year. During his speech, we discovered that it also includes next year's capital spending. When asked by the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) whether public capital would be available for some of those projects, the Minister said that he was considering how much of that £1 billion would be available.

Mr. Milburn: Will the hon. Gentleman remind the House how much his Government had allocated for the national health service next year?

Mr. Maples: We would have proposed a settlement similar to this year's. As the Minister knows, the figure for this year is £1.6 billion, and it does not include capital spending—almost all of it is for hospital spending. If the Government can match our spending record over the past 18 years, why do they not commit themselves to doing so?

At Health questions three weeks ago, I invited the Secretary of State to say whether he would match the 3.1 per cent. a year real increase in spending over the past

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18 years, but he declined to do so. He might like to take this opportunity to do so, but I doubt that he will because he knows how difficult that would be. The Government will certainly not match it next year.

The Secretary of State for Health (Mr. Frank Dobson): Would the shadow Secretary of State care to give us the average real increase for the past three years?

Mr. Maples: I am talking about a long-term average: the Secretary of State keeps referring to long-term plans. He picks three years because four years ago the figure was 5.9 per cent., and he conveniently wants to leave that year out. If he chose four years, the average would be extremely good. We can all play with numbers, and he deliberately picks three years because it leaves out an almost 6 per cent. real increase in spending in the previous year. He refuses to commit the Government, who have had 18 years to think about what they will do with the national health service. He has spent all that time criticising the previous Government, yet he refuses to commit himself to bettering our spending record.

It is not our intention to oppose the Bill: it is our Bill, and had the election been called 10 days later, it would have been introduced by Conservative Ministers. We intend to try to amend it, and to use those amendments to explore the Government's thinking, because the PFI involves some complex issues. We and many people outside the House want to be clear about what is involved.

The Minister is clearly an enthusiast of the private finance initiative, but his enthusiasm was not, until recently, shared by many in his party. One must be careful when using the word "hypocrisy" in the House. It certainly does not apply to the Minister, but this is a massive exercise in collective hypocrisy by the Labour party. It says one thing in opposition and does another in government.

My right hon. Friend the Member for Fylde (Mr. Jack) and I plan to have a little section high on the menu of health debates entitled "words for eating" to remind Labour Members what they were saying until a few weeks ago.

Ms Bridget Prentice (Lewisham, East): Oh no, this is the same speech as the hon. Gentleman made three weeks ago.

Mr. Maples: No, these are different words for eating. We have a large residue of quotations; we shall mine this seam for some time to come.

The *Financial Times* of 11 April referred to the private finance initiative, and we were told that

"The move marks Labour's final conversion to using the PFI in the NHS after years of warning that the government's plans to have the private sector design, build, finance and operate hospitals were merely a front for privatisation."

When she was shadow Secretary of State for Health, the Secretary of State for Social Security, the right hon. Member for Camberwell and Peckham (Ms Harman), said—as recently as April last year—

"The Tories have made NHS hospitals reliant on private finance . . . a policy strongly opposed by Labour."

A few weeks earlier, the right hon. Lady had said:

"The latest scheme for privatising the NHS is the Private Finance Initiative."

When asked a couple of weeks earlier by the BBC whether she objected to the use of the PFI for building hospitals, the right hon. Lady had replied:

"Well we certainly do, because under this Government this is a new trick to privatise the health service . . . they're using the PFI as a raft for, a sort of ramp for privatising the NHS."

All that was said only a few months ago. The right hon. Lady's predecessor, the President of the Board of Trade and Secretary of State for Trade and Industry, the right hon. Member for Derby, South (Mrs. Beckett), said:

"Market testing represents creeping privatisation; as does the PFI."

Mr. Campbell-Savours: If there were reservations about the PFI—

Mr. Maples: And there were.

Mr. Campbell-Savours: Yes, there should be no doubt that some of us had reservations because of a PFI project that had been approved in 1988, under a Conservative Government. That was the Dartford River Crossing plc project, and the Opposition—as they now are—would do well to consider it. Under privately financed options, the cost was to be £234 million; under publicly financed options, it was to be £180 million. The additional cost arising from the PFI was £54 million. When Labour was elected, it had to find a way of ensuring that penal costs of that nature did not fall on the taxpayer. That is what the Labour Government have done, and that is why the PFI is now so much more acceptable.

Mr. Maples: The quotations that I have given do not express reservations; they anathematise the whole process, describing it as privatisation of the national health service. The hon. Gentleman should have addressed himself to the point that I was making—but, of course, he is not the only person not to do so.

As ever when we are mining these seams of words, the Secretary of State for Health features largely. He was on to the subject a long time ago. In 1986, when he was the Opposition's deputy health spokesman, he said—he has, very decently, changed his views since then; I suspect that he held his earlier views until he was given his present job and realised the magnitude of the task in front of him—that a similar proposal was

"quite unacceptable to the forthcoming Labour Government and that any such arrangements entered into now will be terminated by that Government."

Mr. Dobson: The hon. Gentleman is suggesting that my letter, from which he has quoted, referred to the PFI. The PFI was invented by the then Government in 1992; the letter was written in 1986. Will the hon. Gentleman tell the House what my letter was actually about?

Mr. Maples: The right hon. Gentleman's letter was about a private-public partnership for the building of a psychiatric hospital on the site of the Queen Elizabeth hospital in Birmingham. He was anathematising such private-public partnerships. That is not entirely surprising, because we know what the right hon. Gentleman thinks of business men. Only four or five years ago, he described them as

"stinking, lousy, thieving, incompetent scum".

Presumably, those are the people whom the right hon. Gentleman is now trying to charm into becoming involved in private-public partnerships.

Mr. Dobson: May I put the record straight again? If the hon. Gentleman is always going to quote from *The Sun*, his quotations may not always be accurate. If he looks at other newspapers, he will find that most of that abuse was directed at the Tory Government. To the extent that it was directed at business people, it was directed at millionaires who paid poverty wages. What does the hon. Gentleman call such people?

Mr. Maples: I think that what the right hon. Gentleman said applied more widely than that. I must say that it is interesting to note how slow he is to catch up with the Labour party's new orthodoxy. I thought that *The Sun* was now a reliable source of information on political issues. So it has suddenly become unreliable, has it?

Mr. Charles Clarke (Norwich, South): Will the hon. Gentleman tell us how much money was raised from privatisations and oil revenues during the 18 years of Conservative government? How much of that money was given away in tax handouts and social security benefits to deal with high unemployment, and how much was invested to deal with public needs? Does he not concede that the reason for the PFI is the need to invest in the public sector, because his Government threw away and squandered public resources?

Mr. Maples: I agree that the PFI is needed for investment in the public sector. That is why the last Conservative Government invented the idea.

A 1995 Labour party policy document on the NHS, interestingly entitled "Reviewing the NHS"—that seems to be what Labour seems to spend most of its time doing with the NHS—described the PFI as "creeping privatisation", and I must say that we saw a little of that hostility to it on the Government Benches this afternoon. The document does, however, show how far we have come, how soon reality breaks in on a Government, how quickly our policy has become Labour policy, how soon history is rewritten—

Mr. John Gunnell (Morley and Rothwell): Will the hon. Gentleman give way?

Mr. Maples: No, I would like to make a little progress. I have given way an awful lot.

The document also shows how far Labour is willing to take the policy. It was described to us as commercialisation of the health service, but it appears that the Secretary of State plans the ultimate in commercialisation, although he may choose to deny it. According to the 9 July issue of *BMA News Review*, as part of the celebrations of the 50th anniversary of the NHS,

"Supermarkets will be allowed to print the NHS logo on carrier bags under government plans".

"Expressions of interest" have been invited

"from Safeway, Kwik Save, Boots"—

[Interruption.] It is from *BMA News Review*. I do not know whether it is true, but if it is, we will take no more lectures on commercialisation or privatisation from Labour Members.

Let me now turn to the policy that is under discussion. Let us look at the Conservative record on that policy. Notwithstanding what the Minister said, it is fair to remind the House that it was invented by a Conservative Government, who had two aims: first, to relieve pressure on public spending, which, as we all know and as the Labour Government are discovering, is infinite and difficult to meet, and to achieve better solutions. Our second purpose, which should not be ignored, was to find local, entrepreneurial, imaginative solutions to local problems, to encourage local trust managers to come up with those solutions, to—if I may use the jargon—let a thousand flowers bloom.

Mr. Stevenson: Will the hon. Gentleman give way?

Mr. Maples: No, I will not.

That was based on the realisation that central planning from the top in Whitehall has not worked in the health service. The man in Richmond house does not know best. He cannot know the best way to run pathology services in Nottingham, and canteens and car parks in Chester; but there is a good chance that local managers in those areas do, and may have some original ideas. There is a possibility of better, more efficient solutions, not just financial but medical.

Mr. Stevenson: Will the hon. Gentleman give way?

Mr. Maples: I would like to get this section of my speech out of the way. I have given way an awful lot so far.

There is a possibility of such novel, imaginative local solutions to problems large and small, from building car parks to building hospitals. The NHS executive guidance published in 1993—shortly after the PFI became an option for the NHS—stated:

"The additional scope for using private capital in the NHS will mean additional resources for health care. We must aim to use the new arrangements to benefit patients to the greatest extent, either through provision of services to patients or by finding more efficient ways of providing support services."

It was never a leasing arrangement; it was never just a piece of financial engineering. It was about efficiency and effectiveness in the provision of services.

Mr. Gunnell: Will the hon. Gentleman give way?

Mr. Maples: I want to finish this section of my speech.

An answer to a parliamentary question reveals that, by January this year, 32 PFI schemes worth over £1 million each had been completed and put into operation. By June this year—according to a parliamentary answer given by the Minister himself, obviously referring to the years before he was responsible for policy—61 projects worth over £1 million had full business case approval, to a total value of £800 million, and 151 had outline business case approval, to a total value of nearly £3 billion. Twenty-five PFI schemes for new hospitals had reached preferred bidder stage, five had full business case approval and one had been signed in November 1996.

When Labour rubbishes our record and talks about five years of indecision, let us remember the truth. This is our policy. It was, I remind the House, introduced in the teeth of Labour opposition. Many projects had already been

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successfully completed, and many more were in the pipeline. The Minister was able to give the go-ahead to 14 projects two weeks ago because we got the projects to that stage. If it were not for us, there would be no private finance initiative and no new hospitals being built in Norwich or Dartford.

Mr. Gunnell: Would the hon. Gentleman like to comment on the grand announcement made on 29 January last year by the then Minister, the hon. Member for Orpington (Mr. Horam), of a £50 million scheme at St. James's hospital in Leeds? Not surprisingly, the scheme has not been approved as one of the 14 that can go ahead. People at the hospital accept that the scheme cannot go ahead. Despite all the trumpeting, the scheme cannot go ahead. I was told that the hospital would present a better scheme than the one that was announced so grandly. The Conservative Administration's PFI mechanisms were ineffective and did not result in the major developments that they wanted. There was a residual liabilities measure to clear up the mess, but my right hon. Friend the Minister had to introduce another Bill to make it clear that companies should adhere to their agreements.

Mr. Deputy Speaker: Order. Interventions should not be speeches.

Mr. Maples: Hon. Members seem to want to make bits of their speeches in the middle of mine. Perhaps they would do me the courtesy of waiting.

I have given the figures on our achievements under the PFI. It has been said that there is a steep learning curve for such new approaches. I gather that there were particular and specific problems with the Leeds project. No doubt the hon. Gentleman is making representations to the Minister about it and I am glad that he is able to do that.

Mr. David Rendel (Newbury): The hon. Gentleman seems to think that that is a specific case. Will he comment on the Royal Berkshire trust and the priority care trust in Newbury, both of which were ready to go ahead with new hospital buildings before the PFI scheme started? Both were delayed under the PFI scheme and neither has gone ahead. The Royal Berkshire has now decided that it cannot proceed under the private finance initiative.

Mr. Maples: I do not know the details of that scheme and cannot comment on it. In case it has escaped the hon. Gentleman's notice, perhaps I should tell him that I am the Opposition spokesman on this subject and not the Minister who answers questions about it.

I am delighted that Labour has converted to the PFI and that 14 schemes will proceed. Of course, two of those were signed by us and several of the others have full business case approval. The Minister spoke about a £1.3 billion scheme, but there is no guarantee that the 12 projects or the two that have been signed for will be built. He spoke about work being under way on them by the end of the decade. Therefore, there is still a period of uncertainty.

The Minister heralded the hospital building programme as the biggest ever announced, but it is the biggest cancellation of such a programme that has ever been announced because 23 schemes were cancelled. The Minister's stance has changed somewhat, because on 10 June he said that schemes that failed to make the list, for whatever reason, would be invited to stop any further work, decline any tenders they had and stand down preferred partners. The projects would then be considered nationally alongside schemes that were competing for limited public sector capital.

In his announcement, the Minister hinted that successful schemes either would go forward in the second wave of new model PFI projects or would compete for public sector capital. Today, he went further and said that he had invited comments on the projects and was considering specifically whether they could be taken forward in a new wave of PFI projects next year. I shall be delighted if that proves possible. There is no need to stand all these projects down just because they have not made the cut on his first assessment and first decision. If they stand down their proposals and partners and stop work, it will be extremely difficult to get them going again. I am prepared to bet that they would be unlikely to start again and if they are stood down, even temporarily, those 23 places will not get new hospitals under Labour.

The redevelopment of Walsgrave hospital in Coventry is one of the 23 schemes. It serves my constituency and is an important acute hospital and a regional tertiary referral centre. It is important to us that the project should be allowed to see whether it can reach the criteria.

Labour's view of the PFI is rather like its view of the management of the health service, and that is where it differs so much from us. Labour sees the health service being run from the top down rather than from the bottom up. It is not interested in local solutions or local entrepreneurship. The advice to those who run trusts is, "Do not bother thinking up original ways to do things because if they do not fit Ministers' concepts of health service need, you can forget it." Matters are dictated by Ministers' views of health service need, which is an appalling way to attempt to motivate local trusts and health authorities. *[Interruption.]*

The evidence lies in what the Minister said. He said that matters were prioritised solely on the basis of health service need and that that would be his criterion for the future. That is not the way to motivate local trusts and health authorities to come up with solutions to local problems. Apparently, health service need will be determined in Richmond house and not in Camden, Darlington or Warwick. That is a mistake, but it is symptomatic of the Government's approach.

The Government plan to scrap the internal market, fundholding and internal competition, and propose to replace them with heavy central planning and some local consensus designed to involve people but which is unlikely to give them any power to go with their responsibility. That is a giant step backwards. It did not work before and it will not work this time. There will be a massive loss of efficiency and effectiveness and reduced cost control, and it will abolish local incentives to try to find different ways of doing things. I am worried that Labour views the initiative as a way of financing buildings and not as a way of seeking new ways to provide services. It sees it as a method of getting round public spending constraints.

On 10 June, the Minister spoke about concentrating resources on schemes that have high health service need. He intends to abandon the "thousand flowers" approach and adopt an approach in which health service need dictates new capital investment. That confirms my fear.

Mr. Stevenson: What is wrong with that?

Mr. Maples: Part of the purpose of the PFI, which we introduced, was to encourage local trusts and health authorities to come up with imaginative local solutions to their problems. If the programme is dictated by the Government's assessment of health service need, that will not happen.

Mr. Campbell-Savours *rose—*

Mr. Gunnell *rose—*

Mr. Maples: I have already given way to both hon. Members, who made extremely long speeches in the middle of mine. Hon. Members have until 10 o'clock to make speeches.

It is not necessary to concentrate PFI resources because they are not limited like public sector capital. As I have said, that will not work because it did not work before. That is why we introduced the PFI. There must be incentives for local trusts and managers, and the message to health authorities and trusts from the Government's decision is depressing. It is that the man in Whitehall, in Richmond house, knows best.

A recent survey by the NHS confederation showed that, unsurprisingly, managers want more autonomy. Some 62 per cent. of them wanted more autonomy to manage local services and about 60 per cent. said that new alliances with the private and voluntary sector should be pursued. The people who manage the NHS are, apparently, to be ignored. Their views are to be of no significance when compared with the assessment of health service need by Ministers and civil servants.

Over the next two or three years, this issue will be the battleground on the NHS. The Government plan to reimpose central planning and control in place of the local diversity and management that we began to introduce. Management will lose incentives to improve efficiency and control costs and to respond directly to patient need and choice. The health service will lose efficiency and effectiveness, medically and financially, and managers will lose the incentive to manage creatively and respond to local need, which is what they want to do.

The evidence is on our side. GP fundholders have made improvements to their practices and to the quality of their services. There have been improvements in meeting the patients charter standards and there has been increased efficiency and cost savings. All those matters have improved the response to patient need and the quality and quantity of health care. The Government are adopting methods that did not work in the past and will not work in future. Unless they are prepared to spend much more, fewer patients will be treated, there will be lower capital investment, higher costs, lower responsiveness and longer waiting lists. We shall make those matters the test of their policy because they will not match our record on spending. Their planned reforms will not match our record on efficiency and the outcome will therefore be worse.

I invite the Minister to reply today or in Committee to two specific questions on the PFI, about which we have tabled amendments. The first is the criteria that will be used. He said that he had published those with his statement on, I think, 3 July, but they were outline and sketchy criteria. We need much more detail to understand and to evaluate how he plans to operate the policy.

In a speech in early June, the Minister criticised us for not publishing enough information. He said that there would be

"no attempt to conceal any information",

and promised, if I may put it like that, to provide as much information as possible. I invite him to do that. It is not just us who want that. Those submitting the schemes and those who monitor and manage the health service would like that information too, so I hope that he will provide it.

I hope that the Minister will deal with the issue of risk. What are the criteria on risk transfer? If there is no risk transfer, it is simply a leasing operation—just financial engineering. Risk transfer is vital, because without it the process will be the same as borrowing, but more expensive because the Treasury can probably borrow more cheaply than private sector schemes. Problems will be created for the future because the health service will be committed simply to a long stream of payments, rather than such expenditure counting as public sector capital spending.

There must be some genuine transfer of risk. I am sure that the Minister accepts that. It was mentioned in all the PFI documents, both before and after the election, but we need to know what the criteria are. What are the quantitative hurdles that have to be met? Off-balance-sheet financing has caused much trouble in the private sector and we would not want that to happen in the public sector. Of course, if it did, it would cause problems for future NHS spending.

The Department of the Environment, Transport and the Regions has issued a note calling for a 20 per cent. financial risk transfer. Some early Treasury documents called for a 30 per cent. transfer. At the moment, there does not seem to be any clear guideline on that, so I should be grateful if the Minister would deal with it.

The second subject that I invite the Minister to address is clinical services. He said that he was considering the subject and that he would return to it in the House. The question of what services can be included is important. The greater the service element, the greater the potential for real risk transfer. Paragraph 14 of the Treasury's review, which it commissioned from Malcolm Bates and which was published a few weeks ago, states:

"Departments should ensure there is a significant level of service content in their transactions, consistent with protection of the public interest.

Service content is important. Departments should avoid de facto asset procurement. Government's ultimate interest is in the service delivered from an asset not the nature of the asset itself."

I am sure that the Minister agrees.

Our approach was a local one. We were prepared to consider a wide range of different arrangements. My right hon. Friend the Member for Charnwood (Mr. Dorrell), the previous Secretary of State for Health, made it clear that he was reluctant about clinical services in any way being subjected to privatisation, but he did say that he would consider non-NHS involvement if local clinicians favoured that. The Minister should be prepared to consider as wide a list as possible.

[Mr. Maples]

The Government would have a problem in drawing up a list because technology and medical practice are changing. Some criteria need to be established, although we will have to allow the Government some latitude and ask them to explain each decision. However, they would be making a mistake if they boxed themselves in. I am surprised and disappointed that they have already ruled out X-ray and pathology services.

There is a danger for the Government—as they would no doubt say there was for us in this—in getting hung up on ideology. The NHS buys in an enormous number of things from the private sector and private sector employees. It buys in all its drugs, all its supplies and quite a lot of waiting-list surgery. An answer to a parliamentary question in January contained a figure that surprised me: expenditure on the purchase of health care from non-NHS providers in England for 1995–96 amounted to £800 million. We are talking about operations and procedures—*[Interruption.]* Does the hon. Member for Workington (Mr. Campbell–Savours) want to intervene? He keeps talking. If he wants to intervene, I will let him, as long as he will then be quiet.

Mr. Campbell–Savours: I will intervene. I was saying to my hon. Friend the Member for Stoke–on–Trent, South (Mr. Stevenson) that, before the election, we had tremendous difficulty getting Conservative Members to talk openly about clinical services being included. Indeed, I remember an interview between Jeremy Paxman and the then Secretary of State for Health, in which Mr. Paxman dragged the words out at the very end of the interview, and the then Secretary of State looked extremely embarrassed. Opposition spokesmen now liberally talk about these matters. It was obvious that they were trying to avoid telling the truth to the electorate before the election.

Mr. Maples: My right hon. Friend the previous Secretary of State said in a 1995 Department of Health press notice that

"there is no question of clinical staff or clinical support staff being employed by non-NHS employers unless such a change has the agreement of local clinicians."

The hon. Gentleman is making a phoney point, and he knows it.

We should not get hung up on ideology, and I mean that in a genuine and constructive spirit of trying to ensure that the PFI achieves its potential. We already buy in an enormous amount from the private sector. I gave the figure of £800 million-worth of health care, not drugs and supplies, being bought in from the non-NHS sector. That was 4 per cent. of hospital and community health service spending in that year, which is not an insignificant amount.

We should be careful about saying that there is some ideological barrier about clinical support services. There is a possibility of gaining valuable advances in quality and quantity of service by subjecting such services to PFI treatment. Even by that test, the average GP's practice would fail because most of them are small private businesses that have independent contracts with the NHS. GPs' properties are not owned by the NHS and GPs are not employed by it, so do not let us get hung up on definitions because ultimately the only criterion should be what is best for patients.

Perhaps the best way to run a pathology service in a big city is through one concentrated facility, used by all hospitals, both public and private. If so, why not allow someone to build, finance and run it privately? Some capital spending projects may not qualify for the PFI without some service inclusion. A study by Meara Management Consultancy for the Institute of Health Services Management states:

"Small schemes, particularly those in the elderly and mental health care fields, may only succeed if clinical services are included in the FM"—

financial management—

"package."

What exactly is Labour's policy? Is there an ideological dimension? Are there some no-go areas, even if local clinicians agree to such a package, or are the Government open to a range of proposals and possibilities? Our amendments are designed to explore that.

The PFI offers great scope for improving health services without increasing public spending, but if the PFI projects merely replicate what the public sector would have done anyway, a large part of the objective of the policy will have been missed. I urge the Government to reconsider their attitude to local solutions, which they should encourage. They will not gain much advantage if they simply tailor a project that they wanted to do anyway to fit the PFI criteria that they have established. I urge the Minister to meet his high standards of disclosure and in particular to be completely open about risk transfer. Simply rechristening finance leases as PFI projects will lay up huge financial problems for the future.

The Government are in danger of getting the worst of both worlds: projects that they wanted to do anyway, with no local creative input or incentives, moved off the balance sheet in a temporary trick to reduce public spending and to avoid its controls. If one of our European partners did that in an attempt to meet the Maastricht criteria, we would rightly call it a fudge and that is exactly what it would be. I hope, therefore, that the Government will not allow their ideology to get in the way of optimum solutions, but, given their record so far, I fear the worst.

7.47 pm

Dr. Howard Stoate (Dartford): I am pleased to be called to speak on the Bill as it is important to my constituents. One of the first schemes that will be built, I hope, after the Bill has been passed is that for the Dartford and Gravesham NHS trust. As my hon. Friend the Member for Gravesham (Mr. Pond) has already said, the people of north-west Kent have waited far too long for the hospital. They have waited more than 18 years for it—since the time I became a doctor in the region and almost exactly the period that the Opposition were in Government.

I am glad that the Secretary of State for Health and his colleagues have been able to find time in the first three months of the Labour Government to enact the Bill because it is so important, particularly for the people of Dartford and Gravesham and all the people throughout the country who are also waiting for their facility to be built. We pledged to make the PFI work and we will.

The Bill is short and to the point. It does its job of allaying the fears of the people financing PFI projects in the NHS about protection against the failure of NHS trusts. It is the Bill that has been needed to do that.

The National Health Service (Residual Liabilities) Act 1996 served a similar purpose. Under the Conservatives, I suspect that the bankers thought that they needed that legislation because, like many people, they did not wholly believe what the Conservatives were saying about their commitment to the NHS. I am sure that there is much less need under Labour, because everyone knows that we are committed to the national health service, which we founded almost 50 years ago.

In being short and to the point, the Bill does not address some of the concerns that are being expressed by the medical profession and others about the scope of the private finance initiative in the health service. I know that attempts were made in another place to amend the Bill, but I do not believe that this closely focused piece of legislation is the right means. I want the Bill to complete its passage through Parliament, so that work on new and improved facilities for the people of Dartford and other areas can start on time. I hope that my hon. Friend the Minister can join me in September to break the ground on this project.

The concerns cannot be ignored as they go to the heart of our understanding of what our national health service represents. One of the concerns is the nature of the services that will be run by the private partners in a PFI hospital. Of course, it is not a new concern, as services are already passing out of the hands of trusts to be run by private contractors. An attempt was made in another place to exclude clinical services from the scope of those that could be transferred to a private partner. The difficulty is in defining clinical services, as I believe my right hon. and hon. Friends on the Front Bench have already found, and which is the subject of tonight's debate.

The British Medical Association, of which I am a member, has already made a start and included in its definition of clinical services dietetics, physiotherapy, pathology and radiology—which my hon. Friend the Minister has already assured us will not be privatised. We must build on that and I am pleased that the Department is working on producing a definition of clinical services. I trust and hope that there will be wide consultation with the medical profession and with those working in the NHS, as well as with those representing patients.

Mr. Jack: As a doctor, perhaps the hon. Gentleman could help me—[*Laughter.*] I always look to the right people for advice. That is why I am asking a question. Does the hon. Gentleman consider haemodialysis a clinical service?

Dr. Stoate: Yes, I do, and I hope that that will be included in the definition of clinical services as eventually set out by the Government. As I said, it is the subject of discussion and negotiation. No doubt, a full statement will be made at some time in the future. I would certainly include it within clinical services.

In protecting clinical services, we must not lose sight of the importance of other services to the care of patients in the NHS. Old jokes about leaving hospital in a worse condition than on admission are not funny if the cause is poor cleaning or catering services that have been allowed to decline as a result of cost cutting. Further contracting out of those and other services, if they are not defined as clinical, must involve unions and community health councils to ensure that the interests of staff and patients are recognised.

Another concern is the involvement of private health care providers in PFI consortiums. Initially, the major hospital projects are mainly in the hands of construction companies. That is no bad thing as the construction industry has taken a severe drubbing over the past 18 years and so is now welcoming this boost to their fortunes. Once hospitals are built, will construction companies continue to be interested in the facilities of a hospital for the long term? In the private sector, such expertise lies mainly with private health contractors and providers. There are signs that companies in the United Kingdom and the United States are well aware of that and are looking for opportunities within PFI projects.

I want the best for the NHS, for the best price, and I am not afraid of private sector involvement where that is appropriate—but I do not want a takeover of health care by stealth. I would like the Minister's assurance that interest in PFI projects will not end with approval. I want to know that the Government will take a close look at any changes in PFI consortiums and the ownership of private partners, to ensure that they are for the benefit of the NHS. Trusts must not become secondary purchasers of health care with all the providers in the private sector.

In the five years since the PFI was introduced by the Conservative Government in 1992, no major hospital building was started. The Labour party made a manifesto commitment to make the PFI work in the NHS, and within our first five months building will start on the new hospital for Dartford and Gravesham. The 50th anniversary next year of the start of the NHS will be a true celebration of a health service available to all, on the basis of need, not ability to pay. I am pleased to support the Bill.

7.53 pm

Mr. Simon Hughes (Southwark, North and Bermondsey): At 5.28 am today, with the hon. Member for Vauxhall (Kate Hoey), I drove the first Bakerloo line train through the tunnel from south bank to north bank, after nine months' closure.

Mr. Milburn: The hon. Gentleman will need an early night then.

Mr. Hughes: That is a good try, but the Minister ain't seen nothing yet.

This evening, the Government are trying to drive through, in one sitting, the first health service Bill of this Parliament. On behalf of my colleagues, I want to register our severe disapproval of yet another abuse of the powers of government. I believed that the Labour Government would try to conduct their business properly, but they are not. So far, six Bills have had a Second Reading. The Referendums (Scotland and Wales) Bill was the subject of a guillotine motion, and it was then pushed through on the Floor of the House. The latter action was, arguably, valid because it was a constitutional Bill. We have just debated a guillotine motion on the Finance Bill—not unheard of, but not always necessary. The Plant Varieties Bill went through all its stages in one day. It may not have been a Bill to shake the foundations of the globe, but it raised many important scientific questions. The Firearms (Amendment) Bill was rushed through on the Floor of the House instead of going into Standing Committee. Part of the Education (Schools) Bill has also

[Mr. Hughes]

been dealt with on the Floor. That is not the fault of the Minister—I simply say to the Government that it is arrogance and they should not behave that way. The evidence to support why the Government should not behave with such arrogance has come in this debate from the hon. Member for Dartford (Dr. Stoate) and his neighbour the hon. Member for Gravesham (Mr. Pond), who have raised major concerns about the Bill.

I am surrounded by a significantly larger number of Liberal Democrat colleagues than I was before the election. One reason why they are here is that the public were extremely sceptical of both the Conservative Government's and the Labour Opposition's positions on the health service, and rightly so. Many of my hon. Friends were, in large measure, elected because we did not believe that a Labour Government would put enough public finance into the NHS, and the proof of the pudding is in what the Chancellor has been telling us ever since election day.

We take a fundamentally different position from that of the old Government and that of the new, both on the general structure of the NHS and on the Bill. I respect the Minister. We do not believe—and I hope that the Government do not believe—in a top-down health service. However, when he told the House recently that the Government do not intend to recreate regional health authorities, it sounded as though the obvious tier for strategic planning in England, elected and democratically accountable, had been abolished at a stroke.

We do not support the view of the hon. Member for Stratford-on-Avon (Mr. Maples) on the health service—that we simply let a thousand flowers bloom and allow anybody who thinks he wants a PFI project to dream one up and pop it up to the Government for approval, without any intention of seeing it as part of a strategic planning process. The approach has been proven to be far from right, not least because so few projects have been approved and because a system non-strategically planned—as my hon. Friends the Members for Newbury (Mr. Rendel) and for Hereford (Mr. Keetch) can show—has resulted in many projects in the pipeline never getting through, however strategically important they might have been. There was no prioritisation.

The Minister has said, and I accept that it is an improvement, that there will be central scrutiny and prioritisation. I hope that over the relatively long summer holiday, when the hon. Gentleman is lying on the beach, he will reflect on his words and realise that it would be far better for him—I hope that he keeps his job for as long as the Government are in office—to have regional strategic planning as that would make his job better and it would be better for the health service. Matters should not be decided only in Richmond house or Whitehall; they should be decided around the country.

We should not tonight rush through Second Reading, Committee stage, Report and Third Reading. The hon. Member for Stratford-on-Avon said that we have until 10 o'clock. I hate to tell him, but we have until 9 o'clock tomorrow morning. The Minister might wear a bit by then. My hon. Friends are in good spirits and good form and may well keep the Government up for some considerable time yet.

We want to ask hard questions partly because—as the hon. Member for Gravesham, my hon. Friend the Member for Hereford or I could tell the House—many schemes proposed under the PFI end up as scaled-down versions of what the commissioning authority wanted. The commissioning authority might say that it wants, for example, 500 beds, but it is told that it can have only 300 or 400 beds. In my own local hospital trust—Guy's and St. Thomas' Hospital NHS trust—the PFI scheme failed because the trust was presented with ever smaller proposals, and the trust finally said, "Thank you very much, but we can do it much better ourselves." Projects have therefore returned to the public sector, and the PFI has disappeared from the agenda.

We have to consider some very serious issues. Regardless of how undemocratic health authorities may still be—even after replacement of Tory nominees by other nominees, and however much they may consult and reach a view that they must provide 500 beds, for example—it will not be much of a planned health service if the private sector ultimately does not deliver what authorities have asked for. There are, therefore, severe doubts not only about the Bill's points of substance but even about some of its practicalities.

The Order Paper summarises the Liberal Democrats' principal objections to the Bill. The first is that the PFI is clearly one of those financing systems—which can be improved and tempered—that is driven by someone saying, "We think that we can make a profit out of this scheme, but not out of that one." The scheme is driven by commercial profitability—private sector partners do not join it to make a loss—rather than by strategic and locally calculated health need.

Like me, many hon. Members represent areas that have high levels of health deprivation, morbidity and mortality. The areas that most need the health service, however, are not those that, for self-evident reasons, will provide the biggest returns.

Mr. Stevenson: I am particularly interested in the local point made by the hon. Gentleman. What does he say about the situation in my area in which a PFI scheme that has had the support of the district health authority, the community health council, the trusts and the local community has been held up for four years? How can that be top-down consultation—surely it must be bottom up? The project has been held up because of the system that the Bill is designed to expedite.

Mr. Hughes: The hon. Gentleman makes a good point. We have tabled an amendment to the Bill to provide consultation with and approval by both the public and the authorities. I do not know the details of the scheme that he mentioned, but he said that such consultation has occurred. Once it has crossed that threshold, the scheme should get off the starting blocks.

If the hon. Member for Stoke-on-Trent, South (Mr. Stevenson) will bear with me, I will also tell the House how we can better fund schemes in the constituencies of all hon. Members, because the Liberal Democrats have an answer. I am not speaking in the debate only to be critical without providing a constructive option. My right hon. Friend the Member for Yeovil (Mr. Ashdown) has said that the Liberal Democrats are "the constructive Opposition", and today we will oppose constructively.

We must, however, ensure that schemes—regardless of which hon. Member's constituency they are in—are priorities in the larger scheme of things. Perhaps the scheme in the constituency of the hon. Member for Stoke-on-Trent, South is a very good one, but—in a time of limited health resources, even with private finance—it may not be the most important one in his county, district, borough or region. We must consider that factor. My colleagues and I believe that schemes must pass also the test of being regionally and strategically important before being considered a priority.

The Minister said that the PFI process is the best method of getting money into the health service. My hon. Friends and I disagree with him on that point and think that, if he conducts his review openly and honestly, he, too, will reach a different conclusion. We do not believe that there is evidence to support his conclusion. Until very recently, even those at the Treasury said that they did not believe that the PFI was the best way to accomplish that goal.

Mr. Milburn: On a point of information for the hon. Gentleman, I said that our PFI review would examine a variety of means of establishing public-private partnerships, of which the PFI is certainly one possibility. We will look beyond the PFI, and we are certainly not wedded to the Tories' version of the PFI. I should make that clear to him now.

Mr. Hughes: The Minister knows that I welcome that statement. One of the burdens of our case is that there should have been such consideration before the general election. The Labour party should have reached a view on establishing a better scheme. The Liberal Democrats think that a better scheme—I will be honest about it, and it is not a secret, a perfect answer or even terribly original, although I hope that the Government will consider it in their review—would be a capital-funding bank for health service projects, which can be organised both regionally and nationally. Parallel organisations, although in a different context, are regional development agencies.

The Minister and other hon. Members will know that such a move has been advocated most recently by the King's Fund as a way in which to ensure that one agency provides both public capital funding and private capital funding. Such an agency would be better because everyone would apply at the same time and with the same criteria. We could do away with variable interest rates, and people would not have to operate by different timetables. We would also be able to pool resources by using that method of obtaining private finance. There would be many benefits.

I will not pretend—as I did not pretend in debates on charging or on rationing in the health service, which will come regardless of what we pretend—that we will be able to manage the health service without private money. We never have and we never will operate the NHS without private money, and the question is only one of how we will do so. Liberal Democrats believe that rather than arranging such finance on a local and ad hoc basis, we should arrange it more strategically, both regionally and nationally.

Mr. Maples: If the hon. Gentleman is suggesting that there should be some type of bank that contains private and public money, is he aware that all the money spent as loans by that bank would be public spending and count as part of the public sector borrowing requirement? How would he get round that?

Mr. Hughes: No, that consequence would not follow; it is a separate matter. The hon. Gentleman knows enough about the health sector to know that a separate debate is occurring in which the Treasury is very defensive—we all know the score—about what constitutes public sector borrowing. He knows also—because it was his predecessors' idea—that the PFI scheme was his predecessors' method of getting round that problem and that accounting criterion.

A very odd accountancy fiction—it is no secret; it is the argument—is that spending money on lease payments for health services, like hire-purchase payments on a car, does not constitute public expenditure, whereas buying services or a car outright does constitute public expenditure. No one in the real world believes that there is a difference in the types of payment, because it is all money going from the public purse into a private pocket.

The former Financial Secretary might believe that there is a difference in leasing. The issue, however, is how we define what is public expenditure and what is not. As he knows, the Treasury's position in that debate is under attack and is no longer generally accepted.

Mr. Jack: Perhaps the hon. Gentleman will first tell the House how accounting financial reporting standard 5 relates to his comments. Secondly, will he tell us, in the mechanism of repaying that private capital as some type of lease payment, where the money will come from? Thirdly, is it not the case that that private money would attract a greater rate of return or interest than the public money that goes with it? Therefore, by definition, that money would be more costly in terms of public expenditure. Perhaps he will deal with those three points.

Mr. Hughes: I cannot deal with the first point, because I have not a clue about it. I can, however, deal with the second and third points. The first issue—it is not only a health service issue—is how one defines public expenditure. It has to do with the public-private financing of, for example, the railways and public transport. It has to do with whether or not we take capital receipts for housing purposes as public expenditure. The same debate on spending crosses Government Departments. The Treasury has always defended its position that certain things count as public expenditure and others do not.

When the previous Government were in power, and when the right hon. Member for Fylde (Mr. Jack) was a member of it, they pursued private sector finance because they believed it would not count towards public expenditure totals. I understand why they did it, but I support the current Minister's view that we need to consider afresh whether there are better ways of producing, at low cost to the public purse, the same gearing or ratio of public to private sector investment.

I cite another obvious example. When the previous Government set about establishing city technology colleges around the country, the theory was that 80 per cent. of the money would come from the private sector and 20 per cent. from the public sector. In broad-brush terms, the reverse happened—20 per cent. came from the private sector and 80 per cent. from the public sector

[Mr. Hughes]

because, in the end, it was not seen as a saleable proposition. We have to examine not only what maximises public investment in the health service, at the lowest cost to the taxpayer, but what maximises private investment.

There are two other substantive reasons why my colleagues and I believe that the Bill is inadequately drafted. It is a bit rich for the Government to proceed as they are, given that in opposition they went hammer and tongs at the Tory Government about the threat of privatising the NHS and, in particular, clinical services. I remember the right hon. Member for Islington, South and Finsbury (Mr. Smith), who was then the shadow Secretary of State for Health, going on about the privatisation of clinical services during Question Time after Question Time, and seeking assurances that they would not be included.

If clinical services are not to come under the PFI, they should not be included in the Bill. It is no good the new Government saying they are terribly sorry, they will not include clinical services but they will be left in the Bill. I understand the semantic argument that there is a grey area in respect of back-up services, but whose Bill is it? The answer is that it is a Tory Bill, not a Labour Bill at all. It was taken off the shelf at Richmond house—I saw it there before the election.

Mr. Milburn: If the hon. Gentleman thinks that he has a solution to this thorny problem, perhaps he will give us a list now of clinical and non-clinical services. Let him give us a list if he thinks it is as easy as that.

Mr. Hughes: When we deal with the amendments that we have tabled, we shall deal with exactly that matter. It is not an easy issue, but we have provided a definition and included it in an amendment. Our proposal is much better than the Bill as drafted. If the hon. Gentleman thinks that there should be a list, the way to proceed is to draft a Bill that contains a general definition and includes a schedule which we can amend by orders under secondary legislation. He knows that as well as I do. Two categories have already been defined—his colleague in another place mentioned radiology and pathology, which are straightforward. [HON. MEMBERS: "They are not."] My hon. Friends who have dealt with this matter professionally will tell the Minister that they are not that much less straightforward than many other categories.

The point is that the Government should not introduce their first primary legislation without having thought through its implications. I know that the Minister has not been in opposition for 18 years, although his party has, but the issue has been around for several years; the PFI has been around since 1992. It is no good saying in February, March or April that clinical services must not be privatised, but then coming to the House in July with proposals to include them in the PFI.

Finally, consultation must be built into the Bill. It may be that there was widespread, local consultation in Dartford, Gravesham or anywhere else. That is very helpful, but there is nothing in the Bill to require it; there is no guarantee. Health authorities are not the most democratic of institutions, and health trust boards certainly are not—*[Interruption.]* The Secretary of State for Health says that they will be. With the greatest respect, as long as their members are appointed by him, they will not be democratic bodies, and with a week's notice to get in the nominations, they certainly will not be. I welcome the idea that we review their membership.

The Bill should self-evidently not be going through all its stages in one sitting. If we are to have a proper debate on which services are clinical services, the Bill should go into Standing Committee where we can debate it and try to get it right. We are here to get legislation right, not to rush it through to meet a self-imposed Government deadline. When this Parliament began, no date was fixed for the end of term. The Government have control of the agenda, and, as far as anyone can see, they have their own Back Benchers entirely under control, apart from one or two. They therefore have to deliver the answers.

We are going to probe as hard as we can and remain consistent with the position we have adopted for the past five years, unlike the Government who have done a somersault. The reality, as my hon. Friend the Member for Gordon (Mr. Bruce) made abundantly clear and as my right hon. Friend the Member for Yeovil has often made clear to the Prime Minister, is that we are facing not a future in which there will be a great bonanza of funding for the health service, but a future in which capital funding from the public purse will be significantly pared down. If we are to rely on the private sector under a Labour Government, which many Labour supporters think is a bit funny anyway, we want to know what the rules are and that it is done with the public's consent and in the public's best interest.

On this issue, the Conservative Opposition are not really an Opposition at all. We are the people who are going to tell the Government, as we told their predecessors, that the PFI is not the right way forward. The Government have not thought it through, and it is a pity that they are trying to bulldoze the Bill through the House on a summer's evening, hoping that no one notices. We hope that people will notice and realise that it is a bad way to legislate.

8.16 pm

Mr. David Hinchliffe (Wakefield): I have some reservations about the general principles of the Bill, but I must commend the Minister of State, Department of Health, on dealing with a difficult situation carefully and cleverly. The problems that the Bill is designed to tackle present him with a number of difficulties.

It has not come over loud and clear from the Opposition, but we have a deteriorating national health service infrastructure, which is very much a result of neglect over the past 18 years. Hon. Members present will know what problems that has caused to their constituents. The previous Government's private finance initiative has very apparently been a failure in that, as my hon. Friend the Minister made clear, few schemes have come to fruition.

One of the difficulties of dealing with the capital infrastructure in the NHS is the way in which the market-based organisational structure of the previous Government—the internal market—has driven wedges between various elements of the NHS. I am also aware that the Minister speaks against a background, which we understand, of extremely limited options for public expenditure and of a radically changing NHS. I shall deal with those points as they manifest themselves in Wakefield.

The Secretary of State and the Minister are aware that my constituents are in the main served by Pinderfields district general hospital. They may also be aware that a substantial part of that hospital provides care in huts constructed to care for soldiers injured in the second world war, before I was born and, I imagine, before most, if not all, hon. Members here were born. [HON. MEMBERS: "Not all."] Most, I said, not all.

That situation has a knock-on effect on the operation of the hospital. A hospital with those facilities has difficulties in attracting top-quality staff, who consider the capital arrangements, the buildings and the working conditions before applying for a post. Pinderfields has sometimes been concerned about its inability to attract high-quality consultants.

The hon. Member for Orpington (Mr. Horam), who was an Under-Secretary of State for Health under the previous Government, is in his seat. He knows that I have often spoken about how my constituents have been deceived by commitments given by the previous regional health authority under the former Government about the arrangements for the closure of facilities.

I was particularly angry about the closure of Manygates hospital, in which I and my two children were born. A clear commitment was given to my constituents as part of the public consultation process that that facility would be replaced by a purpose-built maternity facility at Pinderfields hospital. That has never happened. My constituents are rightly aggrieved about having been misled when the community health council and others accepted the closure in the formal process, only to find that the previous Government, through the health authority at district and regional level, did not follow through on the commitment that had been given.

Pinderfields hospital developed a private finance initiative project that included a new maternity facility, but, for reasons that were no surprise to my hon. Friend the Member for Normanton (Mr. O'Brien) or me, the proposal was not approved in the list recently published by the Department of Health. It was no surprise, because the project was developed against a background of an organisational shambles in the running of the health service in Wakefield over the past few years under the previous Government. That situation is a direct consequence of the internal market.

Since the introduction of the internal market, we have had two competing acute trusts serving the east and west of the Wakefield metropolitan district. We have a higher than average level of GP fundholding. The former Under-Secretary will remember the evidence I produced of a clear two-tier system, with patients of fundholders in Wakefield being given priority over those of non-fundholders at one hospital.

It was proved and accepted by the health authority that that was a logical consequence of the system introduced by the previous Government. The only way in which the health authority could deal with the situation was by moving to total GP fundholding on a locality commissioning basis, which we now have in Wakefield. Since April, we have also had a merged acute trust—the Pinderfields and Pontefract trust.

I suspect that one reason why my right hon. Friend the Secretary of State and my hon. Friend the Minister did not bring forward the Pinderfields PFI project was the uncertainty over the arrangements for future acute hospital provision in the Wakefield area. The two trusts were previously based on district general hospitals at either end of the area. PFI schemes were being brought forward for both hospitals. A decision has to be made on what provision will be made and what the new PFI project will be.

The current review of acute provision, which began after the public consultation process that resulted in the creation of a single trust, is being carried out by Newchurch and Co. I am concerned about the fact that that is the same company that was invited by the previous Government in January 1993 to advise authorities and trusts on the private finance initiative. I hope that my right hon. Friend will look into that.

Questions could be asked about the objectivity of the company in looking at acute provision, when it has also been given a similar role by the previous Government on the PFI. That may be perfectly honourable, but questions are being asked about whether it is appropriate for the company to be involved in those two areas, which may come into conflict.

In my area and elsewhere, there is a lack of clarity about the future balance between primary care and hospital care. Probably as a consequence of the move towards fundholding, some huge GP complexes, the size of small cottage hospitals, are being constructed in Wakefield. I know of no strategic debate having taken place about the implications of that for the future construction under the private finance initiative of acute hospital provision.

One huge complex close to completion on Barnsley road in Wakefield, near where I live, will offer minor surgery, clinical investigations and low-dependency beds. I do not object to a move towards such provision, but when considering a Bill about the PFI, we must think about what capital developments will be needed in years to come. My slight worry about the PFI arrangements is that we may lock ourselves into models that will not be appropriate in even five years.

The private finance initiative has added to the obvious lack of clear direction resulting from the internal market mess that the previous Government made of the good-quality provision that we have traditionally had in my area. I accept the amendments to the scheme made by my hon. Friend the Minister. I have listened carefully to the differences from the model offered by the previous Government. My perception of the PFI has been as a political never never land.

My hon. Friend the Member for Workington (Mr. Campbell-Savours) pointed out earlier that the revenue implications of the scheme as operated under the previous Government have been unclear. We are not sure what expenditure problems we are building up for future years. I am particularly concerned about that.

That may be a never never area for national politicians, but it is not for the NHS work force. I listened carefully to what my hon. Friend the Minister said about the grey area in clinical and non-clinical services. I am concerned that PFI schemes may result in some people being placed in the employment of a private sector employer and finding their conditions of employment far worse.

I accept that the Minister is reviewing the issue. I should like to put in a plea for those who are regarded as at the bottom end of the clinical team. Hospital cleaners and porters are key people, whom I regard as an integral

[Mr. David Hinchliffe]

part of the clinical team. My impression is that my hon. Friend understands the need to consider the future employment of people in such positions.

I vividly recall my first operation in hospital. I will not go into detail, as it was a somewhat delicate operation, the particulars of which could embarrass one or two people here, including me.

I was all set for the operating theatre, having been given a pre-med, and I was in some distress because I was not looking forward to the operation. The person who gave me most comfort was the lady sweeping the floor. She was prepared to talk to me and to reassure me that the operation would not be as bad as I thought. She turned out to be right. I have not forgotten that that woman took time out to talk to me, despite being under pressure because she was working for a privatised company in an NHS hospital. She made a difference to my experience of hospital.

We should understand that the cleaners and porters of this world, who are already low-paid, deserve not to be driven further down the scale. I draw great comfort from the fact that I know that is not on my right hon. Friend's agenda. I look forward to the review to which the Minister of State has committed the Government.

Audrey Wise (Preston): Perhaps my hon. Friend will remember that, when he and I were involved in an inquiry into maternity services, great stress was laid by user organisations on the need for absolute cleanliness in maternity wards. In latter years, those organisations, such as the National Childbirth Trust, have had to advise mothers-to-be to take their own cleaning materials into hospital to do their own cleaning immediately after giving birth. That reinforces my hon. Friend's argument about the importance of the function of cleaners, which is valuable in preventing infection.

Mr. Hinchliffe: My hon. Friend has made an important point. She deserves great credit for what came out of that report on maternity services. I vividly remember how members of the Select Committee on Health were told about the consequences of a deterioration in cleanliness, which were judged to be a direct result of compulsory competitive tendering.

Mr. Dobson: I share my hon. Friend's concern about the terms and conditions of ancillary staff. I am glad to report that, on a visit to Halifax, where the Calderdale PFI is a welcome development, I discovered that the terms and conditions of the ancillary staff are an improvement on those that they had when services were contracted out at the Halifax hospitals.

Mr. Hinchliffe: I am grateful to my right hon. Friend for that reassurance. I know that he has taken on board the concerns that I have expressed, as well as those expressed by other hon. Members on both sides of the House.

I will not detain the House for much longer, although the Liberal Democrats have said that we might be in for a late night, but I have one worry. We have been handed the PFI model by the previous Government. In my constituency, the models governing future delivery are not clear because of the increased role of GPs. I do not argue against that, because I do not believe that we have ever properly developed primary care along the lines envisaged by the NHS in 1946. If we are not careful, however, the PFI will lock us into what will soon become old-fashioned models of care. We need to watch carefully for that.

The delivery of community care had been moving away from the institutional model of care homes and nursing homes. As a result of 18 years of Conservative government, however, it is sad to note that the institutional model, which was outdated when the Conservatives came to power, has been re-established.

If one considers the huge building programme for care homes and nursing homes it is clear that we are moving in the opposite direction to that taken by the majority of other European countries. That backward step is a direct consequence of handing the provision of that care to private companies. They have invested in the easiest form of provision—bricks and mortar—rather than in real care within the community.

Dr. Peter Brand (Isle of Wight): Does the hon. Gentleman agree that what has happened in community care is a direct consequence of the private sector dictating how things should be provided rather than the community deciding?

Mr. Hinchliffe: The hon. Gentleman has understood my point. I am not necessarily saying that there are no good models in the private sector. I accept that there are some excellent models, with regard to community care, for example, in telecommunications and the ability to contact people in their homes.

I am concerned, however, that, by handing over community care to the private sector, we have taken a significant step backwards, particularly in relation to the care of the elderly. We could do better. I hope that the Secretary of State will understand my concern that the PFI could lock us into old-fashioned models that could be overtaken by far better alternatives, which are on the horizon.

The Minister of State, who knows Wakefield well, and my right hon. Friend the Secretary of State have listened to my concerns, and I am grateful for the reassurance that my right hon. Friend has given me. I hope that the Minister will respond to one or two of the other points that I have raised.

8.35 pm

Mr. John MacGregor (South Norfolk): I support the Bill, and welcome the late conversion of the Labour party to the PFI concept in the NHS. I never cease to be fascinated when I hear members of the Labour Front Bench extolling the virtues of privatisation and the PFI, because I recollect from the past 18 years how often they were opposed to both. I am pleased to see their late conversion, because it shows that we won the argument.

I support the Bill principally because of its effect on the Norfolk and Norwich hospital in my constituency. As the Minister of State knows, it will be one of the first large acute hospital PFI projects, and I hope that it will start shortly. It will undoubtedly be one of the most expensive, and will provide 21st-century, state-of-the-art hospital facilities for my constituents and for people throughout Norfolk.

I support two points made by my hon. Friend the Member for Stratford–on–Avon (Mr. Maples), which were doubted by the Minister. First, he referred to the expenditure allocated in the Budget to the NHS next year. It simply is no good to argue that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), the previous Chancellor, allocated less for next year according to his three-year expenditure programme. My hon. Friend is entirely right to say that my right hon. and learned Friend allocated for this year, 1997–98, a bigger increase for the health service than the current Chancellor has allocated for next year.

The reason for that is quite simple, as the Minister of State knows perfectly well, because the allocation for the year ahead is frequently increased in the current expenditure round as one moves into the final year and takes something from the reserves. All that the current Chancellor has done is bring forward to now rather than November the announcement of next year's public expenditure increases, and taken those increases out of the reserves. It is therefore absolutely comparable with what my right hon. and learned Friend did in November. The facts are clear. The previous Government provided for a bigger increase for this year than the current Government have provided for next year. My hon. Friend is absolutely right.

Secondly, my hon. Friend was also right to say that this is a Tory Bill, which, of course, is one reason for my support. It would undoubtedly have been brought before the House if it had been possible to hold the election a little later. I am sure the Minister knows that to be exactly the case, because, as he almost said in his opening speech, the Bill is intended to remove any doubts.

I agree. The 1996 legislation gave the banking consortiums that intended to help finance the PFI the assurances they sought. I am informed that the Norfolk and Norwich project would have gone ahead, and the Octagon partnership was quite content with assurances of that legislation, until one of the banks involved in the Dartford hospital project raised certain doubts. The Minister of State's legal advice was probably perfectly correct, but in order to provide the belt and braces that one of the banks involved in the Dartford hospital project appears to want, the Bill has had to be introduced. When it was seen that one of the banks involved in the hospital project had raised doubts, those involved in other projects also wanted the safety of belt and braces.

That is why I support the project. I know that there were discussions, because I was heavily involved in them before the election. The Norfolk and Norwich project was the up-and-coming project. I know that there was cross-party agreement on it.

Mr. Simon Hughes: Clearly, the Bill and the project need bankers to support them. The right hon. Gentleman may be about to deal with the issue, but can he tell us whether he believes that the community should also support PFI projects? If so, how does he reconcile his position with the overwhelming view of the elected authority in Norwich, which does not support the project?

Mr. MacGregor: I do not know which authority the hon. Gentleman means. Does he mean the Norwich Labour-controlled city council? If so, I am coming to that subject later. I do not agree with the council. I have consistently said that I support the project in my constituency. I certainly support the PFI approach. We had almost achieved our ends—in fact, I think that we would have done so, were it not for the doubt raised by one of the banks in relation to the Dartford project.

This is a simple Bill that deals with a straightforward point in the correct way, as it would have done before the election. That is why I hope that it will be passed quickly.

I have, for a long time—since the mid-1980s—been heavily involved in trying to get the Norfolk and Norwich hospital to its present state. There are a number of reasons for the delay. The issue that we are addressing tonight—the clarification of the legal powers in the Bill—was not one of the causes of the delay. There are three main reasons. The first involved the inevitable complexities and legal problems of putting land together and of reaching agreement among all the parties to bring the project to reality.

The second reason involved the framing of the PFI template. As the Minister correctly said, it was one of the biggest projects, and putting it together was a complex business. The Minister spoke of a steep learning curve, and I agree. As a result of that work, we shall have a template that will make it much easier for other PFI projects to go ahead more quickly—many of the details and problems have been thrashed out. I pay tribute to the chairman of the Norfolk and Norwich health trust, Michael Falcon, and its chief executive, Malcolm Stamp, for all the work they have done in getting the project to this point.

The third reason—this answers the question posed by the hon. Member for Southwark, North and Bermondsey (Mr. Hughes)—is the one which, above all others, caused the delay, and it has nothing to do with the PFI. There have been endless arguments over the siting of the hospital. I originally opposed the idea of the hospital coming to Colney in my constituency. I believed that Hellesdon—the site being proposed in the early 1980s—was the right one.

The main reason why I was anxious for the hospital to be located in Hellesdon was that the project was in an advanced state of development, and I could foresee a delay of 10 years if, at a very late stage, a decision was taken to change the site of the hospital; but that is what happened. The decision was taken, not least because of pressure from the consultants, to change the site of the hospital, which has led to a 10-year delay.

The arguments about the siting of the hospital have continued. Ever since the decision was taken to move from Hellesdon to Colney, I have been wholly in support of the Colney project. There have been some issues to sort out, but they have nearly all been resolved. The only remaining issues involve access and whether the road structure is adequate to deal with what will undoubtedly be an expanding hospital.

Curiously, the delay has brought two benefits. First, we have able to get a more modern hospital than we would have had 10 years ago; we have been able to take advantage of the advances in medical science and organisation. Secondly, the site has been located to the Norwich research park, which will enable the hospital and the research institutions to do a great deal of work on medical research and development that might not otherwise have taken place so easily. Therefore, the delay has brought some benefits.

The argument seems to be continuing, not least in Norwich city council and among certain people in Norwich. They argue for returning to the site in the

[Mr. MacGregor]

centre of Norwich where the present hospital is located. I am convinced that that would lead to another delay of at least 10 years before the people of Norwich and Norfolk got their new hospital. That is why I have been so strongly opposed to having the hospital in the centre of Norwich. There are other arguments: the majority of people using the hospital would find it much more difficult to gain access to the hospital there than if it were located at the new site at Colney.

Some groups are still exerting pressure. I am glad to see that the two Norwich Labour Members of Parliament seem to have come round to the view that the hospital should be at Colney. But, even today, some groups in Norwich are arguing against the Colney site. In a letter in today's *Eastern Daily Press*, the secretary of the Keep Our Hospital in Norwich Group mentioned a meeting that the group had just had with officials in the Department of Health. The letter concludes:

"The officials appeared genuinely interested in the Keep Our Hospital in Norwich alternative and have gone away to evaluate its financial cost compared with that of Colney."

I know that the Minister has been extremely helpful in considering the matter of the site. He has been extremely fair, and has quickly brought himself up to speed on the matter. He has been supportive of the idea that the hospital must be at Colney. I am certain that we would not see the hospital in many people's lifetime were it to be moved back to the centre of Norwich. The Minister has been robust on the issue and I ask him to continue to be so.

Once the Bill has been passed—which I hope will happen tonight, and which will clear up any doubts about the financing—work can finally commence on the site within a matter of months, if not weeks. That can happen provided that the Minister sticks to his position. That is why, above all, I support the Bill tonight.

8.46 pm

Mr. Charles Clarke (Norwich, South): Thank you, Mr. Deputy Speaker, for calling me to speak in the debate. I am glad to follow the right hon. Member for South Norfolk (Mr. MacGregor). I shall later comment on the aspects of Norwich to which he referred.

I support the Bill as a whole, principally because it is the most effective and practical way of getting hospitals built. I congratulate my hon. Friend the Minister of State on his determination to ensure that the problems of inadequate hospital buildings that exist up and down the country are solved by the Government as rapidly as possible.

I think that the hon. Member for Stratford-on-Avon (Mr. Maples) was being a little disingenuous; he omitted to mention the massive sell-offs and the massive squandering of the oil revenues during the Conservative years. In contrast to what happened in other European countries, that money was not spent on health or education, but was simply frittered away. It was those Conservative actions that led to the need for us to look at propositions such as the PFI in order to raise funds.

I also support the Bill because it encourages public-private partnerships. Many areas of management of the public sector gain from such a partnership, and the Bill will encourage that approach.

Mr. Simon Hughes: Given what the hon. Gentleman has said about spending on health during the Tory years, I take it that he will expect his Government to spend at least as much per year in real terms as the Tories did, over each year of this Government. I am talking about public expenditure, not about extra private finance.

Mr. Clarke: That is what I hope. That is the answer as given by my right hon. Friend the Secretary of State and my hon. Friend the Minister of State. I, too, share that hope. I think that hon. Members on both sides of the House hope that we shall achieve the growth and success that will allow far higher investment in the public sector, not just in health, but in education.

I wish to address two specific issues. The first involves the process of the PFI itself. It is critical that the process is open and democratically accountable and that people can feel that they are part of, and understand, it. Although there are issues of commercial confidentiality in any private finance deal and although there is some confusion about whether the problem has to do with openness in NHS decision-taking structures—which my right hon. Friend the Secretary of State is trying to address—or with openness in the PFI process itself, it is absolutely essential that we support what my hon. Friend the Minister of State said in an earlier debate, that

"It is the people's national health service".—[*Official Report*, 15 May 1997; Vol. 294, c. 272.]

The people have the right to know what is being done in their name and with their money. I hope that the review to which the Minister of State referred will set up new processes that fully reflect that aim and require genuine openness and public consultation, so that people will feel that the new developments are for them. Those are not simply internal NHS processes, although the issues raised by my hon. Friend the Member for Wakefield (Mr. Hinchliffe) relating to working conditions are critically important; community commitment to the developments is also a factor. Although not a major theme in the debate, there are questions to be asked about how effectively some community health councils are representing the communities that they serve.

I want to draw attention to the need to take into account environmental considerations. That is important in the context of the PFI, because some developers have told me that they would greatly prefer to develop on green-field sites rather than in city centres. There are serious environmental issues that must be considered. The current NHS process looks at the environment for patients, staff and visitors, but not for the wider community; nor is it simply a matter of formal planning approval. The new PFI processes should ensure that a full-scale environmental impact assessment of a new hospital or health development is carried out.

Environmental impact must be a major factor in making choices, and to illustrate that point, I refer to two parliamentary questions that I asked recently. When I asked my hon. Friend the Under-Secretary of State for Defence

"what guidance his Department currently applies in ensuring that full account is taken of the environmental impact of its new building programmes",

he answered:

"My Department carries out an environmental assessment on all new buildings likely to generate environmental effects. The environmental assessment is included in the formal consultations with the local planning authority as part of the planning process."—[*Official Report*, 19 June 1997; Vol. 296, c. 264.]

However, my hon. Friend the Minister of State, Department of Health, accurately reflecting the policies that he inherited, had to answer:

"Policy on environmental issues is the responsibility of the Department of the Environment, Transport and the Regions, which produces guidance for local authorities to use when considering planning applications by NHS Trusts for new building projects."

He went on to say:

"NHS Estates, an Executive Agency of the Department of Health has issued 'A strategic guide to environmental policy for General Managers and Chief Executives'—[*Official Report*, 26 June 1997; Vol. 296, c. 621.]

What the Ministry of Defence can do, the Department of Health should be able to do. It must be recognised that all these developments have major local environmental implications, and full weight should be given to such factors when making a decision. I hope that my hon. Friend the Minister of State can give full consideration to both those aspects—openness and accountability and environmental impact—and offer the House the necessary assurances on both matters.

My second theme is the issue of the Norwich hospital. For the reasons stated by the right hon. Member for South Norfolk, the Norfolk and Norwich hospital is the most expensive of all the projects either agreed or approved by the Department. The new site was located in the right hon. Gentleman's constituency until boundary changes placed it in my constituency of Norwich, South, along with the Norwich research park and the John Innes centre—a net gain to me and a net loss to him over which we can wrangle in future.

Like the right hon. Gentleman, I emphasise that most people in Norwich believe that the new hospital should be in Norwich. However, because of the problems that I have just outlined, many in my constituency—obviously, I cannot speak more widely than that—did not believe that the chosen site was the right one, because the PFI process that the previous Government went through was flawed: it was not properly open and did not take account of environmental factors. I do not say that the procedures were not followed—I am sure that they were—but it was not a correct process, which is why my constituents welcome the decision of my hon. Friend the Minister of State to review the whole process.

The right hon. Member for South Norfolk says that the delays to the PFI project were entirely due to petty political squabbling between the local councils, both Labour and Liberal Democrat, but that is not a sustainable position. The fact is that the process lacked clarity—the question whether the new hospital was to be the second or the first Norwich hospital and a whole series of other issues led to disputes within and between political parties. There is little to be gained from going into the history of the dispute and, with respect to the right hon. Gentleman, it diminishes the force of the rest of his argument to suggest that party political arguments were the most serious problem.

In the light of those failures under the Tories, I want to take the opportunity of this debate to ask my hon. Friend the Minister to do everything in his power to ensure, first, that the new Norwich hospital has proper transport and good access. The right hon. Member for South Norfolk referred to that issue, which is of great concern to local people, especially elderly people, and it must be sorted out. Secondly, I ask my hon. Friend to ensure that bed numbers are kept under constant review, as there are serious doubts in Norwich as to whether the bed numbers planned for the new hospital will be adequate. Thirdly, constructive uses must be found for the sites of the hospitals that are to be closed—the Department owns the sites, so its attitude is extremely important. Fourthly, there must be proper primary care—including accident and emergency care—available in the city of Norwich.

I hope that my hon. Friend can offer assurances on those matters, so that the benefits of the new health care PFI process, which I strongly support and for which the Bill provides a legal foundation, can be felt by the people of Norwich in their entirety.

8.56 pm

Mr. John Horam (Orpington): It is a rare pleasure, in a House with such a large Labour majority, to speak in support of a Tory Bill.

Mr. Simon Hughes: There may be more.

Mr. Horam: The hon. Gentleman is right; there may be more conversions along the road, as reality seeps in on this new Labour Government.

It is also a pleasure to speak in favour of a Bill with which I was personally associated. It is almost word for word what the previous Government would have passed, perhaps with Labour help, if the general election had been called even a week later than it was.

I am delighted that the Government have adopted our Bill so fully. I note what the Minister of State said about one small change for the sake of clearer English, and I wholly support that; if more Bills were written in clearer English, the House would be delighted.

I must even disagree profoundly with the contention of the hon. Member for Southwark, North and Bermondsey (Mr. Hughes)—who is looking at me with fond affection from the second row—that the Government are not right to push the Bill through in an evening. I think that they are absolutely right to do so.

Mr. Hughes: The hon. Gentleman would think that.

Mr. Horam: Although it prevents me watching on television the last night of the Royal Opera house, Covent Garden, which I very much regret, it is sensible for the Bill to complete all its stages in one evening, because it is the type of simple Bill, with all-party support, broadly speaking, which should be pushed through quickly. It is totally different from the Finance Bill, which my right hon. and hon. Friends on the Opposition Front Bench rightly made a lot of fuss about earlier. The Bill is needed—*[Interruption.]* I have provoked an intervention. I knew that I should never have departed from the path. The Bill is simple, clear and has broad all-party support, so it should pass quickly.

Mr. Hughes: If, as the former Minister rightly says, the Bill was on the shelf when he left the Department of Health, why did not the Government introduce it weeks ago, instead of waiting for the last few days before the summer recess and then being obliged to rush it through the House? He must agree that there would have been a better way.

Mr. Horam: There it is; harmony has been restored. I have no doubt that the Government could have passed the Bill more quickly and with greater scrutiny if they had so wished, but they did not do so.

[Mr. Horam]

This support may be unwelcome to the Government. Let me point out that the reason for the Bill is Labour's habitual financial incontinence. The banks have gradually become extremely suspicious about lending to organisations that are not wholly part of central Government—local authorities, trusts or whatever. They have become suspicious, because there is a long history of the usual improvident loony Labour councils getting into financial difficulties and trying to borrow money at great length from City bankers and so on.

One thinks especially of the swap arrangements entered into by the London borough of Hammersmith and Fulham—an incident that is embedded in the memory of all City bankers because, in the end, the court decided that it was ultra vires for the borough to engage in such practices. That was another example of an improvident loony Labour council doing things that were crackers, causing the City to become very leery of lending to bona fide organisations such as health trusts and local authorities, because it could no longer trust Labour. I believe that it is now discovering that it can no longer trust Labour in national Government, never mind local government, as a result of the events of the past few weeks, but that is a party political point.

There is another reason why I am glad that the Bill has been introduced. As my hon. Friend the Member for Stratford-on-Avon (Mr. Maples) said, it is, we hope, the final full conversion of the Labour party to the private finance initiative process. As has been said, for many years Labour opposed the PFI, and those of us who were Health Ministers in the previous Government remember a constant stream of shadow Health Ministers—I hope that Labour has a better record in government than in opposition—inveighing against the PFI process as creeping privatisation, totally unacceptable, ideologically unsound and so on.

I hope that the Minister of State, who has persuaded the Government that the PFI is sensible, can bring the trade unions with him. The House will remember the Unison advertisement—in the *Manchester Evening News*, I believe—which said that the PFI was so unacceptable that it was the worst thing to happen to the national health service since 1947. The advertisement appeared in connection with the South Manchester University Hospitals NHS trust scheme—one of the 14 schemes that the Minister of State has prioritised. I hope, therefore, that the Government will bring the trade unions with them.

When we were in government and the Opposition were opposing our proposals, we had to put up with the criticism that the implementation of the PFI was a mess and that it was going too slowly. Astonishingly and amusingly, within weeks of a Labour Government being elected, two huge schemes are given the go-ahead. How could that have happened if all the underlying work had not been thoroughly done? Within a few weeks of that, another dozen schemes are out into the open, which can proceed within the next 18 months. That could not have happened if all the groundwork had not been done.

The Minister of State has walked into a rich inheritance. When he opened the doors of Richmond house, he could not have conceived that such a cornucopia of schemes was waiting for him to pick up and advance. Indeed, as Lord Jenkin of Roding said in another place, Labour took over at an extremely fortunate moment in the history of the private finance initiative, and I am interested to see that the Government are advancing it.

I shall risk another intervention from the hon. Member for Southwark, North and Bermondsey by saying that we are used to the Liberal Democrats taking credit for things that other people do. Hon. Members will know those little leaflets that come through letter-boxes when a Labour council has done something and the Liberal Democrats claim credit for it, or when a Conservative council does something and the Liberal Democrats are very sharp to claim credit for it immediately. They may have voted against it in some cases—

Dr. Brand: We deliver leaflets.

Mr. Horam: Yes, the Liberal Democrats do deliver leaflets. They endlessly deliver leaflets. They do not canvass, but they deliver leaflets.

Even by comparison with the Liberal Democrats, who have a tendency to take credit for things that they have not done, the Minister's announcement the other day was astonishing. However, as has been said, it was not an announcement of progress on schemes, but a cancellation announcement. Apart from the 14 schemes that were going ahead anyway, 23 had been cancelled or delayed, or whatever phrase one may choose. I feel sorry for the new Labour Members—

Mr. Milburn: As the hon. Gentleman is so confident about all those schemes, on what time scale does he think that they would have gone ahead? Will he remind us how many successes there were under the "let a thousand flowers bloom" philosophy? How many hospitals were built?

Mr. Horam: The schemes would have gone ahead more quickly than under a Labour Government, because we would not have stopped for innumerable reviews. Thirty-eight reviews are now being conducted—indeed, they overlap. The hon. Gentleman had to exclude some hospitals from the PFI scheme, because the London review does not report until later in the year. He is therefore not on to a good point.

New Labour Members representing Gloucester, Peterborough, Leeds, Rochdale and elsewhere can simply thank the Government for the fact that the schemes that were going ahead under the Conservatives have now been delayed, cancelled or are otherwise a problem. As my hon. Friend the Member for Stratford-on-Avon said in his opening remarks, the hon. Gentleman is imposing central planning. We are now moving back to the cosy Stalinism that the health service knew for so long, but from which, under the regime that we put in place, it was gradually escaping. We deliberately motivated people and gave them the power to make decisions.

An important issue over the years to come will be the difference between the two sides of the House: the Conservative party believes in local decision making, whereas the Labour party believes in central planning. The Labour party believes that Richmond house and Quarry house know best; we believe that local managers have their ears to the ground and know how to do the job.

We believe that that is the way forward on the vexed issue of clinical support services, which the Liberal Democrats also raised. Why do we need to define clinical

support services? Why must we constantly invent things that are out and things that are in? Why not simply let local clinicians decide whether radiology or pathology are now out? Why debate the matter here? Local people can decide in the light of their experience what works in their area. That is wholly consistent with the Conservative and Liberal Democrat view. I am sorry that the Government have gone to so much trouble to come up with a definition of what is right for clinical support services. It is totally unnecessary. When one hears the British Medical Association say that there must be a clear definition of a clinical support service, one's suspicions that that is the wrong track to go down prove to be well founded. It is an unnecessary ideological battle that need not be fought.

I welcome the Bill but stress that, although the centre has a role, it is not the heavy-handed central planning role that the Government envisage. I make two recommendations. First, the Government should take more care about the outline business case. In my experience, too many unsatisfactory schemes surmounted that hurdle too quickly. If the Government were much tougher at the outline business case stage of a scheme, it would benefit the whole process. I am sure that that will be taken into account in the years to come.

Secondly, a point that has not been raised during the debate is the quality of buildings, particularly design quality. Evidence now shows that people's health improves more quickly in the right surroundings, and hospital staff are better motivated if their surroundings are pleasant and they have an input on them. The great danger with the PFI is that it becomes a design-and-build process, in which the architect is employed by the consortium building the hospital and the input from consultants and others involved in the hospital is too little. The danger is that financial and planning considerations simply outweigh concerns of quality, functionality and ability to produce a satisfactory health solution.

The Minister of State may be aware that, as Minister, I established a committee to examine design quality. The Minister for Arts is also concerned about that issue, and we have addressed a joint conference about the quality of hospital buildings. The Minister of State will know from his own experience that the NHS has a poor record when it comes to quality buildings. For example, St. Thomas's hospital, which was bombed during the war, retains its original Florence Nightingale-influenced design. There is an interesting building next to the hospital, but a very unsatisfactory office block behind it. Those three totally different buildings create an architectural mess that Members of Parliament must look at every day when we stand on the Terrace.

We must not forget about the quality of new hospital buildings. I am sure that the hon. Gentleman does not wish to be remembered as the man who built unsightly hospitals all over the country. We want new hospitals to contribute to health care provision and to be good neighbours in their areas.

I welcome the Bill as a recognition and a continuation of the previous Government's policies. I wish it satisfactory and speedy progress through the House this evening.

9.10 pm

Dr. Peter Brand (Isle of Wight): This is a fascinating debate about a very small Bill. I am amazed by the amount of support that it enjoys on both sides of the House, because hon. Members have very different ideas about what the PFI achieves and what the Bill encompasses. I was brought up to believe that words mean what they say and, as a new Member of Parliament, I thought that legislation should say what it means.

I have received many assurances from the Minister today and in another place about what may form part of the PFI definition and what powers the Bill confers. However, it is difficult to see how the Government, in their new role, are clarifying their approach to the private sector. Today's debate has been confused: the PFI is not equivalent to private sector involvement. The PFI is a form of private sector involvement, but it is not the only form.

The private sector has been involved in the NHS for many years. I suppose that I should declare an interest in the debate: I am an NHS general practitioner and I have two surgeries that are part of a mini-PFI scheme. We buy in several clinical services from the private sector, such as pathology, radiology and diagnostic imaging. The private sector provides many magnetic resonance intensifier services in this country. The great test of private sector involvement is that the private sector can make a profit only if it can attract patients or work from those who purchase its services.

I am confused about Conservative Members' attitudes to the PFI. Accountability must be written in by contract. Those who are involved in PFI delivery will confirm that such contracts are long term. There is nothing wrong with involving the private sector, but it must be accountable. I have problems with the Bill as it stands because the Government have not yet defined how they will operate the purchasing-providing split in the NHS.

Under the previous Government, private sector involvement depended on competition to deliver quality and value for money. If we are to have not purchasing-providing, but a form of cosy commissioning and delivery by favoured friends, we must become very good at guessing what the national health service will need not just in two years or five years, but in 10 years.

Hon. Members may remember a wonderful television programme in which Jim Hacker gave out an efficiency award to a hospital that was fully staffed and fully equipped but without any patients. It is bad enough to have a white elephant building in the district, but if that building has services attached, it is so embarrassing that people will fill it and use the service even though, clinically, the need for that service may well have been superseded.

A valuable point was made about the community care element developing much greater units to look after older people than we would like to see, because that is the only condition under which the private sector is prepared to deliver that service at the cost that we are prepared to provide. That is a big lesson for us about the PFI.

I am very disappointed that an amendment to restrict the PFI element for trusts to their NHS services was not accepted. With the way in which the regulations are set out at the moment, there is an enormous risk that a trust encouraged by a private sector partner may develop yet another private wing. We have one in my local hospital and it has lost an enormous amount each year. That loss has to be found from the money that goes in, which should be spent on the NHS and acute services.

[Dr. Peter Brand]

The Bill is, I am afraid, too short. It is nice to have a short Bill, but it needs to define slightly more what it is trying to do. The Labour party has not spent the past 18 years working out an alternative to the PFI to get more capital funding into the NHS, which many other public services get.

When the Deputy Prime Minister was in opposition, he used to appear frequently on the "Today" programme, telling us that the public sector borrowing requirement was an artificial straitjacket and that he had all sorts of schemes to get round it. There are indeed schemes to get round it, and I hope that some will be found. The idea of having a bank for the health service estate makes tremendous sense. Assets could be held against the borrowing by the organisation very much along the lines of housing associations, which receive both private and public money. It would be a very good way to expand our building programme.

I urge the Minister to look at the amendments that we tabled. He clearly needs the Bill to pass through the House. It is essential that a number of projects start, but I would not want the Bill to be an indication of the Government's intent towards public and private partnership for the NHS, as it gives the wrong message to patients in the NHS and certainly to all of us who work there.

9.17 pm

Mr. Peter Atkinson (Hexham): I do not share the Liberal Democrats' concern about the Bill. It is a relatively simple matter. The concern of most of us is where the Government will go with the private finance initiative.

I listened very carefully to the Minister, particularly to the end of his speech and the "soundbitey" section where he said that the Government would fulfil the people's priorities for the health service. The question that I ask him is the question that the people of Hexham ask me: will they will get a new general hospital?

Hexham general hospital was proceeding towards a successful conclusion in the PFI when the Minister put it on to the "do not proceed" list. There was widespread anger in the area when that happened, because the people of Hexham had campaigned for years for a new district general hospital. When it was within our grasp that we would get one, it was then put on the "do not proceed" list. The campaign had run for six years. There are cars throughout the constituency that still have stickers on the back saying, "Save our general hospital service in Hexham". It is a huge concern to the people locally because Hexham district hospital serves one of the largest rural catchment areas of any hospital, ranging from some of the most isolated parts of the country right up to the boundaries of the city of Newcastle. It is the only hospital that lies between Newcastle and Carlisle. Therefore, if patients have to go for treatment in Newcastle, in many cases it will mean a 60-mile round trip. The Minister will appreciate that the hospital is of enormous importance.

There was a feeling in Hexham that the hospital was doomed. It is a small district general hospital and there are real problems in maintaining adequate levels of service in such a small hospital. The feeling was that the national health bureaucracy did not like small hospitals and that it thought that big was always beautiful.

It was an exciting idea when the previous Government agreed that the district general hospital at Hexham should be linked with a large teaching hospital in Newcastle—the Royal Victoria infirmary—in a joint trust. All the support services of a big, expert and nationally recognised hospital could help the small district general hospital fulfil its important health care role. The consultants would travel from Newcastle to Hexham rather than patients having to travel from Hexham to Newcastle to see consultants. It was an imaginative idea. Only better physical surroundings were needed.

The hospital—I hope that the House will forgive me for perhaps being parochial, but I am raising an important local issue—was a wartime emergency provision. It was built to treat soldiers who had been wounded during the second world war, who returned for long periods of treatment. The majority of the buildings date from that period. Providing an adequate level of health service in such physical surroundings is extremely difficult. The maintenance staff have perpetual nightmares over provisions such as heating to keep the building warm during the winter for the benefit of patients.

Within the core fabric that I have described, however, is an excellent hospital. The nursing and medical care is renowned. The people of Hexham and of surrounding areas value the hospital as a facility of enormous importance.

There was great concern about the way in which the hospital was scored under the new prioritising system that the Government have produced. It scored three out of five on the health services scale. That is what the people of the hospital cannot understand. The service provided by the hospital is of supreme importance and those concerned feel that such a low score cannot possibly be right. It may be that because the area scored well for those hospitals that were approved there was concern about putting too many schemes forward at one time, thinking that the area would have too large a share of the cake, and accordingly Hexham was scored down.

The hospital has appealed, if that is the right word, against the rating of three out of five. I wish the Minister to give an assurance that he will revisit that scale. If the hospital does not feature in the next wave, to be announced in the spring, we shall have real problems in providing an adequate health service in a rural area.

The building has not had maintenance money spent on it because a new hospital was within sight. It is clearly not sensible to pour a large amount of money into the fabric of a time-expired building, but if there is now a huge delay in reconstruction there will be difficult times in maintaining patient care in Hexham.

This is not merely a parochial matter. The hospital treats 10,000 or more patients a year. When the reorganisation of health services in Newcastle was planned, the near closure of the Newcastle general hospital was based on the ground that many patients would continue to be treated in a hospital on the site at Hexham. If Hexham were to fail to operate, that would have a severe implication for medical services throughout Newcastle.

I ask the Minister to accept that it is essential for the people of Hexham that they have a new hospital. They hope earnestly that he will ensure that provision for such a hospital goes forward in the next phase that he has announced today.

9.24 pm

Mr. Michael Jack (Fylde): This has been a useful and informative debate on the next stage of the private finance initiative in the national health service.

It is important to reflect on and respond to some of the points that the Minister made when he dealt with my intervention. Delay in achieving major hospital projects is nothing new. Despite having the biggest ever capital expenditure programme for NHS hospitals, the previous Government still had one major hospital project worth £25 million every year.

The problem that the Minister did not mention was that it used to take on average 10 years from the inception of an idea to the fruition of a project for a major district general hospital. The idea that delay has suddenly become the order of the day because of the private financial initiative is unnecessarily and unfairly misleading.

Mr. Milburn: The right hon. Gentleman asked about projects worth more than £25 million that have been given the go-ahead. The better comparison is with projects that are worth more than £38 million, because that is the value of the lowest capital development in the schemes for which I have just given the go-ahead. He may be interested to know that only two hospitals with such a value were built in the past five years. He should be a little cautious about trumpeting the previous Government's success.

Mr. Jack: We can all trade numbers, but the Minister reminded us that all he has done is to give the go-ahead to continue to negotiate. There is no guarantee that on any particular date in the next 18 months that he cares to give us, any or all of those projects will have been completed to a financial close. The Minister's intervention does not lessen my point that delay in bringing complicated projects, such as hospitals, to fruition is not a new phenomenon.

The Minister was a little unfair to the private finance initiative. He gave a somewhat one-sided view, and forgot to remind the House that the initiative is already doing excellent business outside the health service in the provision of prisons, roads, underground trains, information technology systems, Government accommodation and universities. It provides millions, if not billions, of pounds of public investment and gives better value for money.

That brings me to the central point of the private finance initiative. I doubt whether some Liberal Democrat Members have understood and focused on the purpose of the process. Its purpose is to buy services for the public using a method that gives better value for money than the old, conventional method of public procurement. If one starts from that point, it makes a great deal of sense. In no way does that simple formulation corrupt our fundamental belief that the national health service should provide treatment to patients free at the point of consumption. There is no conflict. I shall have more to say about the formulation of the hon. Member for Southwark, North and Bermondsey (Mr. Hughes).

Mr. Simon Hughes: I accept that the PFI does not necessarily determine the quality of service and the fact that it is free to patients. Does the right hon. Gentleman accept that one of the questions that must be answered is whether deferred payment under the system of private finance—payments over time—will be much more expensive in the long term than the alternative, which is to pay now? It may be difficult to find the money immediately, but at least the payment would be less.

Mr. Jack: Deferred payment over time—a sort of hire-purchase arrangement—would not be private finance; no accounting officer would agree with that. We are talking about payments over time for services rendered, against a given specification of output. It is no longer my task to explain that to the House; it is the Minister's task—but I am glad to see him nodding in agreement.

My hon. Friend the Member for Orpington (Mr. Horam) put his finger on why we are here this evening. He rightly reminded us of Hammersmith and Fulham, a Labour local authority that walked away from its obligations. Hammersmith and Fulham sowed the seeds of doubt in the financial community. *[Interruption.]* If the hon. Member for Lewisham, East (Ms Prentice)—who is trying to attract my attention from a sedentary position—wants another example, let me remind her of the real reason why we are having this debate. Deutsche Morgan Grenfell observed what Allerdale council had done—as late as January this year: it took as long as that for it to wake up to the situation. Labour was the largest party at the time, and subsequently ran the authority. In more recent times, it was Allerdale that walked away from a timeshare arrangement, bringing the issue of vires and public bodies into question. That is why we are debating the Bill, which my party thoroughly supports. My hon. Friend the Member for Orpington did the House a great service in reminding us of such action by local authorities.

My right hon. Friend the Member for South Norfolk (Mr. MacGregor) also did us a service by reminding us how hard he had campaigned for his local Norfolk and Norwich hospital. When I was at the Treasury, my right hon. Friend was a stalwart campaigner on all aspects of that issue. I am sorry that the hon. Member for Dartford (Dr. Stoate) is not in his place. Our former hon. Friends Jacques Arnold and Bob Dunn did heroic work to ensure that the Dartford project reached the stage that it has now reached.

Perhaps the Minister will learn a lesson if he recalls what his right hon. Friend the Member for Camberwell and Peckham (Ms Harman) said some time ago when we—who were then in government—had the temerity to put Dartford and Gravesham hospital on what we called a B list. In those days, two and a half years ago, we had a ranking system. We were chastised and accused of watering down the project in some way, but—because we let the thousand flowers grow—Dartford and Gravesham bloomed a darn sight faster than many other projects. It matured rapidly, proving to be an excellent PFI project, and is now one of the "flagship" and "pathfinder" projects that the Minister seeks to make his own, as though he had done all the hard work. In fact, all the hard work was done by those in the NHS trust, by my former hon. Friends and by others who helped to advance the project.

I do not blame the Minister for trying to capture one or two early points of success. He is a good Minister, but he has his own ambitions: he wants to get things done. We also wanted to get things done. As the Minister will know from his officials, a process of rationalisation was undertaken to ensure that the best projects had the best chance of making it to the end. We will probe the Minister a little about his attitude to, for example, the so-called

[Mr. Jack]

affordability gap. Addressing that problem was germane to ensuring that some projects stood a real chance of making it to the finishing line.

We also want to probe the Government on another issue. Instead of allowing local people to generate local projects, meet local needs and make their own progress, the Bill and the mechanism outlined by the Minister will bring back, centrally, the strategic NHS hospital programme. We want to know more about how that will work.

In a telling speech, my hon. Friend the Member for Stratford-on-Avon (Mr. Maples) told us, when dealing with the important subject of clinical services, that he had advised the Government not to become "boxed in". I asked the hon. Member for Dartford—who is a doctor—about one aspect of clinical services: I asked him whether haemodialysis was a clinical service. I think that he said yes. The publication, "Private Opportunity and Public Benefit" describes the provision of haemodialysis treatment by South Tees acute hospital trust on the Darlington Memorial hospital site. The Minister chose not to mention that, which is sad. He will know the detail of that excellent PFI project. It is on his doorstep and it provides his constituents with clinical services. I have never heard it said that it is not a clinical service or that in some way it is not a PFI project. The Minister might usefully draw on the example of a service that is plainly benefiting his constituents.

Dr. Brand: Will the right hon. Gentleman give way?

Mr. Jack: No. I should like to bring my speech to a close.

That shows that under the private finance initiative clinical services are already making a contribution. I do not blame the Minister for thinking carefully about this important issue and I look forward to hearing his future definition.

At the centre of the Bill is the issue of giving legal certainty to those who wish to provide finance for hospital projects under the PFI. We are taking an important step to remove doubt, and it is a pity that the banks did not express their reservations earlier. If they had, we would have been able to bring more projects to fruition quicker. I am glad to be able to welcome the Bill.

The Minister chastised us when he said that the nasty Tories had made a complete mess. He said that all the delays were due to us. [HON. MEMBERS: "Hear, hear."] Before the Minister joins in the "Hear, hears", perhaps I should say that I shall not break the confidences that were shared with me when I was a Treasury Minister. Before the debate, I looked at old papers on this matter. I remind the Minister that on one of the projects mentioned in the debate the developers decided to change the contractual arrangements so that they could obtain tax benefit. The trust became involved and decided that it wanted to look at the specification with a view to increasing the number of beds by about 100. The contractors suddenly decided that they wanted to put in a large claim for extra operational costs over the life of the contract.

The Minister should look at why there have been delays, because some of them were not the fault of the Conservative Government: they were due to a combination of factors involving local hospital trusts and the construction industry and its bankers. He will learn to understand the difficulties in PFI contractual negotiations. These are complex matters, but in giving the Bill a Second Reading we are taking an important step to removing the last legal impediment to an important process whose foundations we put in place.

9.37 pm

Mr. Milburn: I am grateful to the right hon. Member for Fylde (Mr. Jack) for his support for the Bill and to hon. Members in all parts of the House who have taken part in this wide-ranging debate. I remind the House that the Bill is a simple, short and effective measure with a single purpose—to get new hospitals built. It is intended to unlock the PFI gridlock that has built up in recent years in the NHS.

The Bill's secondary purpose is to re-establish the confidence that has been so badly dented in the NHS and in the private sector in the ability of public-private partnerships to work for the benefit of patients. The Bill is not the final word on the PFI or on the future of public-private partnerships in the NHS. The aim of the review is to get such issues right in future. I assure the hon. Member for Isle of Wight (Dr. Brand) that we shall return to this issue. I am happy to receive views from hon. Members on both sides of the House about how we can take such partnerships forward.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) complained that the Bill was progressing too quickly and accused the Government of arrogance in trying to get the Bill through this evening. Where has he been for the past 18 years? Has he visited some of the communities that have been waiting for these hospitals, which are long overdue, much needed and now have the chance of going ahead? We need to get on with it. Without the Bill, there is a simple alternative: those hospitals in Norwich, Dartford and elsewhere would not be built. It is as simple as that.

Mr. Simon Hughes *rose—*

Mr. Milburn: I know that the hon. Gentleman wants to speak later, so, if he can just contain himself, I will continue.

Some hon. Members referred to specific projects in their constituencies. The right hon. Member for South Norfolk (Mr. MacGregor) talked about the important Norfolk and Norwich hospital. He said that the endless arguments in the local community are the reason for the delay. The reason for the delay has nothing to do with endless arguments in the community. It is about the need to tie up the technical, legal and financial niceties and the Bill is an important step in that direction.

My hon. Friend the Member for Norwich, South (Mr. Clarke) made some important points about the process leading up to where we are now in relation to Norfolk and Norwich hospital. I understand some of the concerns in the community, particularly in the city of Norwich, about the location of Colney hospital and about the process surrounding the PFI. We are seeking to address those concerns, but there is a simple alternative for the people of Norwich and of Norfolk: either to go ahead with the Colney PFI or not to have a new hospital.

Whatever reservations and concerns they may have about the process, above all, people in Norfolk and in Norwich want their new hospital. Of course we will try to co-operate with the city council and with others in trying to address the concerns to which my hon. Friend the Member for Norwich, South alluded about the future of primary care and about proper access to the site, but it is time to look to the future rather than harking back to the past.

Dr. Ian Gibson (Norwich, North): Does my hon. Friend agree that, besides giving first-class care to the people of Norfolk and Norwich, the localisation of the hospital on the research park will attract world-class research institutes and perhaps even a postgraduate medical school, which will provide badly needed jobs for the people of Norfolk and Norwich?

Mr. Milburn: My hon. Friend is right. The Norfolk and Norwich PFI deal will not just improve the quality of patient care in Norfolk and Norwich, but provide economic regeneration opportunities. I look forward to that added value developing in the next few months and years.

Mr. MacGregor: I agree with that. When I was talking about delays, I was looking back over many years and it was the siting that caused those delays. We must above all avoid that happening again, so will the Minister confirm that the meeting that I referred to, which gave the impression that the siting was being reconsidered, is wrong and that there is no question but that the site should be at Colney?

Mr. Milburn: I confirm two things. First, there is a simple choice: Colney or bust. The people of Norfolk and Norwich want Colney—they want a new hospital. Secondly, frankly, it is extremely important that any Government address community concerns. I am intent on doing that. I want to open up the PFI process, and we will come to that when we discuss some of the amendments. It is important that we re-establish the confidence not just of the private sector and the NHS in the PFI, but of the community—the public—because we are talking about their hospitals and their health service. I hope that I can be helpful in dealing with some of the concerns expressed by my hon. Friends and others in Norwich.

My hon. Friend the Member for Norwich, South raised some general concerns about the need to be open and accountable in relation to the PFI. Our review of the PFI and future partnerships between the public and private sectors will include that point. Environmental considerations are important and they will be properly taken into account.

My hon. Friend the Member for Wakefield (Mr. Hinchliffe) referred to the danger of becoming locked into outdated forms of care if we go down the PFI route. That is a real concern on both sides of the House. However, whether a hospital is provided through the PFI or through the public sector, there is a danger of getting locked into inappropriate forms of care. That is why it is important, as the hon. Member for Orpington (Mr. Horam) said, that we design buildings, especially hospitals, in a more flexible way so that they can have a variety of purposes and be geared accordingly.

We need only look back over the past 30 or 40 years to see the changes in the nature of health care in this country. If we look forward 30 or 40 years, the possibilities are endless—but so are the dangers. That is why flexibility in building design will be extremely important.

My hon. Friend the Member for Dartford (Dr. Stoate) invited me to a sod-cutting ceremony—if that is the right phrase—and I would be delighted to cut a sod with him in Dartford. He expressed concern about the future of staff interests, as did my hon. Friend the Member for Wakefield. He referred to some of the services that, potentially, could be transferred to the private sector under PFI deals.

As I have already made clear, we have ruled out any clinical services being part of a PFI deal. We have ruled out radiology and pathology being any part of a PFI deal. We have also said this evening that there will be a proper review of other services in order to produce a definitive dividing line between clinical and non-clinical services. That is extremely important and it will help to deal with a number of concerns.

The hon. Member for Orpington railed against prioritisation and accused us of cancelling a whole host of hospital projects for which he had responsibility when he was a Health Minister. He told the House, and me in particular, that we needed to be more rigorous about rooting out poor PFI projects. He is right—we do need to be more rigorous. We need to ensure that if public money is going into the health service through any sort of capital development, it goes to the projects that are most needed. That is why we will prioritise projects on the basis of NHS need, not on the whim of the market and not on the basis of a consortium and trust cobbling together a deal that manages to pass a number of Treasury hurdles. We will prioritise on the basis of clinical, patient and strategic need. I hope that the hon. Gentleman will welcome that and stop carping about the prioritisation exercise.

The hon. Member for Stratford-on-Avon (Mr. Maples) produced a long litany of quotations from former Labour spokesmen about the PFI. The one thing that he did not quote was Labour's manifesto at the general election. It is important, so I will remind him of what it said about the PFI:

"The Tory attempt to use private money to build hospitals has failed to deliver. Labour will overcome the problems that have plagued the Private Finance Initiative, end the delays, sort out the confusion and develop new forms of public private partnership that work better and protect the interests of the NHS."

The hon. Member for Stratford-on-Avon may have difficulty with the concept, but we believe in keeping our promises. We are keeping our promises: we are unlocking the PFI gridlock, we will end the uncertainty, we will build hospitals and we will develop new forms of public-private partnership.

The hon. Member for Stratford-on-Avon and the right hon. Member for Fylde talked about the success story of the previous Administration's hospital building programme. If they will take a bit of advice from me, I suggest that a bit of humility would not come amiss. In the past five or six years, using the public sector route, the previous Administration managed to build only two major hospitals. Moreover, under the previous Government, not a single new hospital was built using the PFI route—although an endless raft of self-congratulatory

[Mr. Milburn]

press releases was issued by Richmond house. I am interested not in issuing press releases or in making promises or talking about building hospitals but in building hospitals and in delivering the goods, for the good of patients.

The hon. Member for Stratford-on-Avon made a point—to which several hon. Members returned—on cancellation. I can tell them that projects that have not been prioritised in the first wave will still have an opportunity to progress and that no project—whether it is in Hexham or anywhere else—has reached the end of the road. In future, however, NHS regional offices will examine projects proposed for their area and determine which meet the greatest health service need. Patients' needs and genuine health service needs—not the ability of private sector consortiums and trusts to cobble together a deal—will drive the hospital building programme.

I know that there are pressing needs in Hexham and elsewhere across the country, and the Government want to re-examine some of those projects.

Mr. Maples: The Minister had a go at the previous Government's hospital building programme. Will he give the House a cast-iron, 100 per cent. assurance that any one of the 14 hospitals that he has listed will be built?

Mr. Milburn: I give a cast-iron guarantee that not a single hospital would have been built if we had not prioritised. For four or five years, the previous Administration tried with the PFI to build hospitals, but they did not succeed. I am confident that the pathfinder schemes will result in new hospitals being built in the communities that need them.

I have been clear from the outset, however, that the Government—as guardians of the public purse—will not accept a deal at any price. I will not hesitate to cancel projects that fail to deliver on time or at the right price. I do not think that the hon. Member for Stratford-on-Avon would expect me to do anything other than that.

The Bill is a very important measure and is urgently needed. The NHS and local communities are tired of empty promises and of hospitals that are planned but never built. The Bill will help to forge a constructive partnership between the public and the private sectors, harnessing the strengths of both. I think that it provides an excellent foundation for the future. Above all else, it will achieve something that has not been achieved in the past five years: building new, much needed hospitals in the communities that need and deserve them.

Question put and agreed to.

Bill accordingly read a Second time.

Motion made, and Question put forthwith, pursuant to Standing Order No. 63 (Committal of Bills),

That the Bill be committed to a Committee of the whole House.—*[Ms Bridget Prentice.]*

Question agreed to.

Bill immediately considered in Committee.

[SIR ALAN HASELHURST *in the Chair*]

Clause 1

POWERS OF NHS TRUSTS TO ENTER INTO AGREEMENTS

9.54 pm

Mr. Simon Hughes: I beg to move amendment No. 11, in page 1, line 13, at end insert—

'(aa) he is satisfied that the agreement has been the subject of full public consultation in the area which it is to effect; and'.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this, it will be convenient to discuss amendment No. 5, in page 1, line 15, at end insert

'and

(c) the agreement has been approved by the health authority for the relevant area'.

Mr. Hughes: Both amendments are about consultation. They stress the importance of ensuring that PFI projects are the subject of full public consultation in the area affected, which is the import of amendment No. 11, and that they have been approved by the health authority for the relevant area, which is the import of amendment No. 5.

There are two substantive points to make. The first is that there is at present no adequate provision in law for consultation. Lord Ezra moved a similar but not identical amendment in another place. The Minister's reply was that there had to be consultation with the community health council. That is a statutory form of consultation, but it does not of itself guarantee that the public are involved in any significant way. Community health councils have an appropriate watchdog function, but there is often a much wider interest engendered than that in the community health councils. Some are very good; some are not.

We have to go further, and not just because it is right to do so as a matter of principle. What Baroness Jay said in another place was insufficient. She said that she would consider extending the consultation further, and I hope that the Secretary of State will say that he has thought about what that means, and that, if he cannot accept the amendment, he will read into the record a guarantee of proper consultation in the community.

The first substantive point is that there is absolutely no point in consulting people and then blatantly ignoring what they say, which is a regular experience in the health service.

I cite a constituency example. A couple of years ago, there was a consultation exercise on proposals put forward by the Guy's and St. Thomas' hospital NHS trust about what to do with the services at Guy's hospital. More than 1,000 responses opposed the proposals and 20 supported them, 17 of which had a vested interest in their going ahead. The public were effectively ignored. It is like the Duke of York leading people to the top of the hill and then down again. It is not good enough. Consultation means that there is a duty to take into account what people say; if one does not, one should explain why not.

Secondly—I cite the same example—we all know that private finance initiative schemes often start off as one thing and end up as something else. It is no good

consulting on scheme 1 if what comes out the other end is scheme 2. Between scheme 1 being consulted on and scheme 2 being agreed, the project often goes to the board of the trust. It then becomes commercially confidential, and we are told that we cannot know what is going on because it would prejudice either the tenderers, when there are several, or the final negotiation.

The final product becomes something entirely different, which goes against the principle of consultation. It is no good any hon. Member or any Minister, new or old, pretending that that does not happen, because it does. I seek an assurance that any scheme that reaches the stage of final consideration will have been the subject of consultation in the form in which it was originally proposed.

The hon. Member for Lewisham, East (Ms Prentice), who is on the Government Front Bench, represents a constituency in the same part of the world as mine. She knows that, in the constituency example that I gave earlier, the proposal that emerged after discussions with the local contractor provided for fewer beds and facilities than that originally consulted on. Thomas Guy house at Guy's hospital has just begun to be opened in the past few weeks. What is going into it is not what was originally planned. The ground rules have changed.

I have accepted that what the Minister has said is progress. Outline business cases were all meant to be secret. Once they were agreed and discussed, they went between the local trust, the regional outpost, the Treasury and the Department of Health—all in secret and without the chance for questions. That is not good enough. We must arrive at a system in which we consult widely at the beginning.

It being Ten o'clock, THE CHAIRMAN *left the Chair to report progress and ask leave to sit again.*

Committee report progress.

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, the National Health Service (Private Finance) Bill may be proceeded with, though opposed, until any hour.—*[Ms Bridget Prentice.]*

Question agreed to.

Again considered in Committee.

Question again proposed, That the amendment be made.

Mr. Hughes: After that traditional interruption, we can go on a bit. I think that the hon. Member for Lewisham, East realised that we had not made much progress. We were being generous by not forcing a Division on that motion.

I want to press the Government on what the Minister of State said in his press notice of 10 June, which he probably does not remember offhand. I shall remind him. In that press notice, and in a parliamentary answer, he said that information about outstanding PFI projects should be made available by trusts unless that would affect on-going negotiations. I welcome that. He also said that trusts should include information about their proposals and actions in their annual reports.

Will the Minister elaborate on that? He will realise that the definition of an on-going negotiation can cover almost everything. Most trusts would say that they could not say anything if negotiations were going on. Indeed, most trusts have said that. What the Minister has offered is therefore not much of an advance on the present position. I say that not in hostility, but from experience. We are often given the answer, "I am sorry, we cannot tell you. This is about on-going negotiations."

We want better and wider consultation. On that basis, the Government could easily accept the amendment. I hope that they will do so, and will not regard it as problematical. The Minister should be brave, regardless of what his brief says, and decide that the amendment is straightforward and can be included. I look forward to that as a helpful sign of things to come.

The second issue that I should like to raise is also important. My hon. Friend the Member for Richmond Park (Dr. Tonge) may also want to talk about it. There is growing concern about the provision in clause 1(3):

"The Secretary of State may give a certificate under this section if—

(a) in his opinion the purpose or main purpose of the agreement is the provision of facilities in connection with the discharge by the trust of any of its functions".

I think that the Minister will know what I am about to say. Under the National Health Service and Community Care Act 1990, there are two ways in which trust functions can be defined. Having looked at the legislation, I am surprised that we can define them in such a way as to exclude any reference to providing NHS services. I am concerned about that. I have not misread the provision, because that concern has been expressed by others, specifically by consultants and consultant associations. It means that one could have a PFI scheme that had nothing to do with NHS functions.

We need to be alert to that, because we have been down that road before. When the water companies were privatised, we found that, before too long, a lot of the new water authorities were doing all sorts of things that had absolutely zero to do with the provision of water. I accept that they used to be involved with fishing and things like that, but suddenly they were running hotels, tourist facilities and boating lakes.

It is an important matter, and I specifically ask the Minister to consider it. If he cannot address that problem now, the substantive 1990 Act will have to be amended to ensure that we do not run the risk of PFI proposals that have nothing to do with NHS core services being approved because the law allows that.

That is the specific reason why we need consultation. Later tonight, we will have a debate about clinical services, which is controversial. There may, for example, be a proposal by a trust to run a residential home with no nursing care. The community health council might say that that is not the job of a local NHS trust, and that council certainly should be consulted about such proposals.

In relation to a trust's plans, we should know who is consulted, at what stage in the proceedings, and about what. We should also be clear about the extent of the trust's activities and how far they deviate from the NHS provision. I hope that the Minister will give a positive response.

Dr. Jenny Tonge (Richmond Park): I should like to expand on the remarks of my hon. Friend the Member for Southwark, North and Bermondsey (Mr. Hughes).

[Dr. Jenny Tonge]

The National Health Service and Community Care Act 1990 contains two options. Most trusts were set up under the first, under which they were given the functions of owning and managing what had previously been NHS hospitals. Under the second option, or the alternative, they were given the function of providing and managing hospitals and other facilities.

It is my understanding, and that of many of my colleagues in the health service, that the second alternative function was given in 1996 by the previous Secretary of State to those trusts that were engaging in PFI schemes. It is of great concern to us that, because that provision persists, a loophole may exist to allow private companies to provide more and more private facilities in conjunction with NHS trusts. That would mean that NHS facilities would have to piggy-back on huge private provision.

I have every sympathy with what the Government are trying to do to get the new hospitals built, but my colleagues and I urge them to consider the great danger that exists. We could choose that second option as a means of delivering health care. It has been taken by many European countries and used to excess in the United States.

I know, however, that the Liberal Democrats want properly planned health provision, and I have always assumed that everyone on the Government Benches wants the same. We do not wish to slide unwittingly into private health care. I am not clear, therefore, whether the Government really understand what they are doing. I say that cautiously, because I know that they have a great deal of experience. I hope that they have thought about it a lot.

I beg the Minister to reconsider. The Bill is not strong enough without, or even with, the amendments. We must ensure that the health service functions are defined clearly before it passes into law. We must ensure that the trusts know exactly what they should be providing. We do not want to allow the PFI to be the gateway towards a slide to privatisation.

Dr. Vincent Cable (Twickenham): I support my hon. Friend the Member for Southwark, North and Bermondsey (Mr. Hughes). I recognise that many Liberal Democrat and Labour Members face a dilemma over the legislation. There are crumbling hospitals, and the only option on offer is an unacceptable system of financing.

The dilemma in my case is particularly acute, as I share a district hospital, the West Middlesex, with the hon. Member for Brentford and Isleworth (Mrs. Keen). The problem is painfully apparent. The hospital has been in physical decline almost since it was first erected as a workhouse in the 19th century. In many parts of the third world, it would already have been closed as unfit for human habitation. People feel so passionately about it that, a few years ago, our local health service campaigners staged a hunger strike to demand that the hospital be rebuilt.

But there is only one proposal on offer. The public consultation that has been offered, although probably more extensive than in many other cases, has been perfunctory. The perfunctory public consultation consisted largely of a public meeting, attended by about 50 people. We were essentially asked to take on trust the judgment of the hospital managers, and to accept that there was no alternative to the mechanism.

I have resolved the dilemma by today writing to the Minister of State to support the hospital trusts and to support the appeal of my neighbour, the hon. Member for Brentford and Isleworth, for the PFI to be reconsidered. It narrowly missed the cut by one place. Given the options available, that seems to be the sensible way forward.

Many of our anxieties about the proposal could be eased if proper mechanisms for public consultation were built into the legislation. There are two main arguments about public consultation. The first is that, even in areas such as mine, which is desperate for a new hospital, the public need to be reassured about many things. We are talking about the permanent disposal of public assets, and about economic mechanisms that are questionable even on a common-sense level.

Many of the contractors involved in the PFI, including the ones involved in my case, are used to operating on an international level. They have the option of PFI projects in Malaysia, Thailand or China, where they can get a 20 per cent. return. They are looking for the same sort of returns here, and those returns will have to be paid for. Although the PFI enables them to get round the limits on capital expenditure, five or 10 years down the track there will be an enormous recurrent burden on the trusts, and it is not at all clear that they will be able to sustain it. A process of explanation to the public is badly needed to ensure that the mechanism is properly understood and sustainable.

Amendment No. 11 is geared to building in a statutory strengthening of the public consultation process. Amendment No. 5 aims to build in the role of the health authority. The health authority is necessary, for two reasons. First, the authority carries with it an obligation to consult the community health councils. The CHCs are often not particularly dynamic institutions, but they are repositories of understanding, experience and commitment to the NHS.

Building in a mechanism for obligatory consultation with the CHC creates an important safeguard. By making it necessary to clear such matters with the health authorities, we create an embryonic planning surveillance. As we understand it, many of the PFIs are not satisfying the test of strategic need.

The Minister of State may be familiar with the valuable research that appeared in the *British Medical Journal* in April. It gave a dispassionate review of the progress of many of the PFIs. In each case, the assessment showed that the bed reduction was roughly 20 to 25 per cent. removed from the status quo—often way below the health authority's planning assumption. We therefore believe that public consultation and health authority provision is a necessary safeguard that should be built into the legislation. Were that available, many anxieties about the legislation would be eased.

Two years ago, a rudimentary system of public consultation was built into the NHS code of practice. We are essentially asking that the spirit of that code of practice should be honoured and entrenched in this legislation.

10.15 pm

Mr. Donald Gorrie (Edinburgh, West): The duty of this place, as I see it, is to try to ensure that our public services are run in a democratically accountable fashion. The best way to do that in the health service would be to

make democracy penetrate, which it does not at present. There is no democracy in the health service at all, and until we change that, which is the Liberal Democrats' goal, we will have to make do with consultation. I therefore strongly support the notion of having better consultation written into the Bill.

That is especially necessary because my experience in Edinburgh is that there is often a dispute between the public perception and the wishes of the important consultants who drive projects through in the health board. All professions have their own politics, and in medical politics there is a great deal of aggrandisement of people's professional opportunities. Doctors are human, too, and some of them have strong Napoleonic tendencies.

In Edinburgh, there is a private finance initiative proposal to renew the Royal infirmary on a new site and there is strong thrust behind having it as big and as all-purpose as possible, at the expense of other hospitals. Public opinion is in favour of greater diffusion and of having more services, for example, at the Western General hospital. That hospital is to have directly funded—not PFI—facilities, which is a welcome step on the part of the Government.

It is necessary to have really good public consultation to determine the public's views on, for example, the siting of maternity services—whether to have one huge facility, or two facilities, which is what most people want. In order to counter specialists' legitimate professional drive, it is important to have good consultation—but the only real answer is to have some democracy.

Mr. Milburn: I am grateful to Opposition Members for reminding us of the principle that important decisions taken about private finance schemes—or, indeed, any major change in the national health service—should not be taken by politicians or bureaucrats locked away in ivory towers, without any consideration for the public who will use, or at least have to live with, the new hospital planned for their community. Nor should decisions be taken without the full involvement and support of the health authorities responsible for planning local health care strategies. I agree with those principles, but I cannot support the amendment.

Arrangements already exist to ensure public consultation on significant changes in the health service, which may well be the result of a major private finance initiative scheme, and to ensure full health authority involvement in taking PFI schemes forward. In addition—this is an extremely important point, which I hope Opposition Members will heed—our review of the PFI will specifically address how better to engage both health authorities and the public from the outset of proposed PFI schemes.

For any PFI scheme to receive a green light, it must demonstrate strategic health need, and the public have to be properly consulted about the make-up of their local health service. There is a simple maxim: the public have a right to know what is being planned for their local health service, because it belongs to them. It does not belong to trust management, and certainly not to private consortiums; nor does it belong to Minister sitting in Richmond house.

We have taken an important first step. As the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) was good enough to acknowledge, a circular was recently issued to the NHS which had annexed to it the text of two parliamentary questions that I had answered about public information being provided by the NHS about PFI schemes. The circular also asks the NHS to be as open as possible and to give as much information as possible, as long as it is compatible with commercial confidentiality.

Amendment No. 5 is unnecessary, because all health authorities must already provide formal support for PFI schemes, and must do so well before the Secretary of State comes to certify an agreement. When a scheme is submitted to the Department of Health for approval of its full business case, the health authorities which are the main purchasers from the trust must provide the Department with a formal statement of their support for the scheme.

The amendment would add nothing to existing arrangements, therefore, and I give Liberal Democrat Members a clear assurance that the Government will not allow a PFI scheme that lacks formal health authority support to proceed.

Amendment No. 11, requiring the Secretary of State to satisfy himself that full public consultation had taken place before he issued a certificate, is unnecessary for similar reasons. When I recently announced the wider review of the PFI and health—the hon. Member for Southwark, North and Bermondsey mentioned the speech I made and the press notice that was issued—I said that, in future, we would have to be satisfied that schemes had taken due account of the needs and wishes of local communities.

I am more than happy to reiterate that promise tonight. No PFI scheme that involves a significant change in services will be allowed to proceed unless a proper consultation exercise has been carried out.

Mr. Simon Hughes: I am grateful to the Minister. We hope to respond to what he says, and obviously we shall not push things if he is able to assure us. Can he tell us, first, whether that promise applies from now on and immediately, and not only at the end of the review? Secondly, can he confirm that a proper consultation exercise has not been carried out if only the health authority and community health council have been consulted?

Mr. Milburn: Of course I want full and meaningful consultation to take place, and when there is a significant change in the make-up of local health services being planned for the local community, of course it is right and proper—indeed, a statutory obligation—for health authorities to consult the local community health council.

Whatever Liberal Democrat Members think, I believe that, by and large, CHCs do an extremely good job as the patient's watchdog, and have a duty to represent the interests of the patient when it comes to the major changes in service provision that a PFI scheme, especially a new hospital, represents. Although it is impossible to consult every member of the public about every major change to the provision of local health services, I would expect key stakeholders to be consulted in future, and I say to the hon. Member for Southwark, North and Bermondsey that in future, when significant changes in services are proposed, we shall expect that proper consultation exercise to be carried out.

Mr. Hughes: I am just trying to ensure that I am clear in my mind that this will apply from now on, and not only

[Mr. Hughes]

from the end of the review. The Minister may be about to come on to this point, but if the scheme changes, as schemes often do, must there also be consultation on the changed scheme, if anything has happened that counts as a significant change?

Mr. Milburn: There is already a vehicle for local stakeholders—the CHC, local trusts, local commissions, local authorities and others—to make representations. That is the annual contracting process between the purchaser and the provider, in which the health authority must assess whether developments that are taking place in providers are appropriate to meet local health care needs.

The hon. Member for Twickenham (Dr. Cable) referred to the recent *British Medical Journal* article about bed numbers. When it comes to annual contracting between the health authority and the trust, I would expect issues about bed numbers to be properly considered. Other stakeholders should have an opportunity to be involved in that process and make appropriate representations.

The other important issue raised by the hon. Members for Southwark, North and Bermondsey and for Richmond Park (Dr. Tonge) was trust establishment orders. I am well aware of the concerns. Indeed, I have met ACHCEW—the Association of Community Health Councils for England and Wales—on a number of occasions to try to deal with its concerns directly.

We propose to issue directions to NHS trusts to make it clear that their income generation activities should not be to the detriment of their NHS patients. The 1990 Act is extremely clear: the interests of NHS patients come first, and the primary duty of NHS trusts is to look after the interests of NHS patients. Income generation activities, including private patient facilities, are secondary. I hope that the directions we propose to issue in the near future will help to address some of the concerns that have been expressed tonight.

The Bill's purpose is to provide reassurance to the banks that propose to lend into the PFI that NHS trusts have the power to enter those contracts, and it has the support of those banks.

I wish to make a general point at the outset of our Committee stage. To introduce amendments for which there is no substantive need achieves precisely nothing, and serves only one purpose: to create uncertainty on the face of a Bill intended to eliminate doubt. I hope that Opposition Members will bear that in mind.

Mr. Simon Hughes: I am keen that we should act in good faith. On amendment No. 5, I accept what the Minister said about consultation with health authorities. He may have worked out already that the original intention was that we should have proper consultation at regional level, but, because the Government inherited no regional health authorities and have not yet put them back, they cannot consult something which does not exist and which I have not yet persuaded them to re-create. I therefore accept that the lower health authorities are not there to be consulted.

On the consultation issue, we accept that the Minister's response is a sign of his good faith. I simply ask that, before the guidance is finalised, we can discuss those issues with him and offer our practical experience of how changes in the process mean that we must be very careful. Sometimes, the annual contracting process, or the annual report, does not occur sufficiently quickly, and the ball game changes between the time when the proposal is made and when the decision is taken. On that basis, and given the Minister's willingness to have the widest possible consultation with the appropriate people, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. Jack: I beg to move amendment No. 1, in page 1, line 15, at end insert

'and

'(c) he is satisfied that all the terms of the agreement have been finalised and that the necessary finance has been committed;

and no certificate given under this section may subsequently be withdrawn or amended.'.

I hope that the Minister will take this amendment in the spirit in which it was tabled—as a constructive contribution to make his new arrangement work better.

The terms under which a certificate can be granted are not defined in the Bill. If the circumstances under which the Secretary of State can grant a certificate were more tightly defined, that would benefit the Minister and the Secretary of State, and help them achieve their objective of using this useful piece of legislation to ensure that they not only gave comfort to the banks, but enabled all the ducks of the agreement to be put well and truly in a proverbial row.

Granting the certificate is important and it confers the ultimate seal of approval on any deal. It says to those who wish to become involved financially in an externally financed development agreement that, legally, it is all right to do so. In my earlier remarks, I hinted at the problems that private finance deals have faced in the past. At the last minute, bankers have entered the negotiations and sought additional gain by reopening the discussions.

10.30 pm

Our amendment seeks to ensure that the Secretary of State does not grant a certificate until he is satisfied that all the terms of the agreement have been met and, importantly, that the necessary finance has been committed. In the past, the finance appeared to be in place, but sudden disagreement between the construction side of the consortium and the bankers led to the bankers' withdrawing and the project falling to pieces. The Secretary of State should make it clear that, although he has the power to grant the certificate, he will not do so until all the necessary elements are in place. That would be the ultimate carrot, and would ensure that deals were concluded properly.

The remaining part of the amendment states:

"no certificate given under this section may subsequently be withdrawn or amended."

It addresses a perceived deficiency in the Bill. Although it may never be the Secretary of State's intention to deny granting the seal of approval, the Bill does not say that. In theory, we believe that an assurance that no certificate given under this section may subsequently be withdrawn or amended provides added security for the financial contracting parties to the arrangement and underpins further the benefits of the legislation.

I hope that the Minister will confirm the circumstances under which the Secretary of State will use those powers. We believe that our amendment is constructive. It would add value to granting powers by way of certificate and ensure that deals, once arranged and negotiated fully, proceeded to financial closure. The fact that there could be no alteration or amendment thereafter would add greater certainty to the legislation.

Mr. Richard Allan (Sheffield, Hallam): I hope to persuade the Committee of the importance of the finality issue, which is introduced by the amendment, in terms of local health planning. Most of my criticisms will be directed at the previous Government's handling of capital investment in the national health service. However, if this Government are to improve matters, they must learn from those failures and respond to them in the legislation.

I shall illustrate my point by referring to the example of Sheffield's proposed new hospital for women, to be situated on the Stone Grove site. Despite achieving a top mark in terms of NHS need, it was not chosen for fast-track development. The Minister kindly received the delegation comprising me and the hon. Members for Sheffield, Attercliffe (Mr. Betts) and for Sheffield, Hillsborough (Helen Jackson), and explained the decision to us. I shall not rehearse the issues tonight, but I hope that the proposal will qualify for the substantial public funding that the Minister said that his Department would generously provide.

The history of the project to replace Jessop hospital, where I was born, demonstrates the need for Government to make any future decisions final and binding. The new hospital was proposed more than 10 years ago, when the PFI was only a twinkle in the Prime Minister's eye. Four or five years ago, the parties were on the verge of signing a Treasury-funded deal but, in response to NHS guidelines, they decided to wait a few months for the outcome of a local strategic review. By the time that review backed the project and found that it would meet desperate local need, the rules had changed again. The parties were sent down the "thousand flowers" route, pursuing the elusive quarry of a new publicly funded hospital—which was rather like joining the previous Government in a hunt for a unicorn.

At the time, the trust was given a written guarantee that Treasury funds would be made available if its PFI bid failed. The Minister in question is no longer able to deliver that funding and the new Government do not seem willing simply to pick up those responsibilities. Once again, we have another change in the rules governing funding for capital projects.

I accept that the Minister has a genuine desire to improve funding arrangements and make them better in future, so I urge him to accept the amendment as a sign of his genuine commitment to local health planners, as it would give them complete confidence that once a certificate was signed, it would be honoured. Let us avoid a repeat of the disappointment that is felt by people in Sheffield as they suffer delays in much needed facilities as a result of the rules changing every time they get a project together.

Mr. Milburn: I assure the hon. Member for Sheffield, Hallam (Mr. Allan) that I understand the very real concerns in his city that the project did not get the go-ahead in the first wave. I can also tell him that it is recognised that the project has a high strategic health need. It will be considered with other schemes for possible prioritisation in the future. The whole idea behind the prioritisation process is to do just what the hon. Gentleman wants—to bring clarity where it has been lacking, to sort out the confusion and to bring certainty to the national health service and the private sector.

In future, schemes across the country that are regarded as having the highest strategic health service need will be chosen and prioritised and then driven through the PFI. In future, the PFI process will really deliver the goods. The problem, as we heard earlier, was that too many projects were in the pipeline. The previous Government simply were not able to deliver them all. One of the most telling speeches in our earlier debate was made by the hon. Member for Orpington (Mr. Horam), who urged me to be more robust and to prioritise. That is precisely what we have done. I am convinced that, in future, there will be much greater clarity, and as a consequence we shall get more hospitals built.

Mr. Simon Hughes: Does the Minister accept, then, that there must be a regional element in strategic planning? If he is holding to his view of a fortnight ago, that there will not be any re-creation of democratic regional authorities, how is there regional strategic assessment involving the public and not just the bureaucrats in the regional outposts?

Mr. Milburn: Just on a small point of detail, there were never democratic regional health authorities. It is certainly not our intention to re-create the regional health authority structure, but we shall ask the regional offices of the national health service to undertake a full, impartial, fair and objective assessment of capital development schemes in their areas. When they have assessed where the highest strategic need is in their regions, those schemes will be submitted for prioritisation nationally. Once they have been prioritised nationally, we shall seek to make progress on them.

To overcome the problems that the hon. Gentleman addressed earlier, on public consultation, I reiterate that we shall expect any major NHS changes to be subject to full, public consultation at the appropriate point. It is pointless doing that before prioritisation, because if a scheme is not to be prioritised, there is no point in consulting on it. If it is to be prioritised, there is, of course, a need to ensure that the scheme has backing not only from the national health service and the private sector, but, most important, from the local community. I can give the hon. Gentleman the assurance that I think he seeks.

Mr. Hughes *indicated dissent.*

Mr. Milburn: Obviously, not quite.

Mr. Hughes: That was a fair and straight answer, but does it mean that, at regional level, at the appropriate stage—I use the example of my hon. Friend the Member for Sheffield, Hallam (Mr. Allan)—my hon. Friend would be able to know what the region was thinking and have some input into the regional process, and that it would not happen in secret, behind closed doors and involve only those who work for the NHS?

Mr. Milburn: That access to information will not be at regional level. It will be at trust level and health

[Mr. Milburn]

authority level. I agree that, all too often, the PFI process has been shrouded in secrecy. I accept that and I am determined to stamp out such secrecy. I want the process to be as open as possible. We must get the balance right, however, between public openness and ensuring that there is no risk to commercial confidentiality. I shall get that balance right, and I give an undertaking that in future the health authority and the trust concerned will be consulting widely and taking Members and other representatives into their confidence. Indeed, I have asked them to do that already, and the process has already begun. It is a process that will continue in future.

Dr. Brand: Does the Minister recognise that there are some services of concern to the public that go wider than the area covered by one health authority or trust? I am thinking about radiotherapy services, which are both vital and capital intensive. Access to them is extremely important to people throughout a region. I hope that we shall see something more proactive from the Minister's Administration than we saw from the previous bunch of Ministers.

When the regional outpost was pushed to give a lead on where it would like to see investment in a new site, for example, it washed its hands of the matter and said, "This is a matter for local trusts and districts to negotiate." That is clearly not a satisfactory way of establishing a vital service. Members of the public should have a say on whether the facility is to be based in a part of the region that is accessible and to which they can relate.

Mr. Milburn: If there are services that cross trust and health authority boundaries and which impact substantially upon the make-up of local NHS services, consultation should take place as a matter of course. That should be happening already as a matter of course. I shall, of course, consider the specific matter that the hon. Gentleman has raised with me.

I hope that I have satisfied some of the concerns that have been expressed from the Liberal Democrat Benches. I shall now take up the matters raised by the official Opposition. I appreciate the concern of the right hon. Member for Fylde (Mr. Jack) to ensure that the Secretary of State does not certify what might be described as a dud contract. Legally, however, the amendment does not achieve anything.

Part of the amendment would require the Secretary of State to be satisfied that the terms of the agreement had been finalised. In law, that is approaching gobbledegook, and I shall explain why. Certification is precisely that which confirms that an agreement is an externally financed agreement for the purposes of the Bill. Until then, there is no agreement within the terms of the Bill. The Secretary of State may reasonably be expected to ensure that the commercial contract for a PFI deal has been signed before he certifies that contract as an externally financed development agreement—for short, an EFDA—and he will do that in any event.

I shall move on further down the PFI process to explain how the amendment would be inoperable, for it would require the Secretary of State to satisfy himself that the necessary finance had been committed. It is a point that the right hon. Member for Fylde was keen to stress. That would have to be done before the Secretary of State certified an agreement. That requirement would again be legal gobbledegook.

I know that the right hon. Gentleman recognises that the purpose of the Bill is to reassure bankers who are considering putting up capital for private finance schemes in the NHS. Bankers will be willing to put up capital once an agreement has been certified, but not before. The amendment would merely serve to ensure that bankers refused to finance NHS schemes, thus undermining the purpose behind the Bill.

The rest of the amendment is beside the point. It states that no certificate, once given, could be withdrawn. I am advised that once an agreement has been certified, it is once and for all an externally financed development agreement. If the certificate were withdrawn, it would have no effect, as the original act of certification would have conferred permanent validity on the agreement.

The amendment also stipulates that a certificate, once given, could not be amended. As I said, once a certificate has been given, it is a once-and-for-all EFDA. That is not to say that there would be no circumstances under which the certificate, as drafted, might cease to apply to at least part of the agreement. Under those circumstances, recertification could take place, and we do not need to legislate for that.

10.45 pm

Mr. Jack: The Minister has just said something intriguing. He said that there may be circumstances under which part of an arrangement could be subject to recertification, but that no legal mechanism is required to enable that to occur. Would he be kind enough to describe a circumstance in which such a process would operate, and to tell me how the Secretary of State would address the problem?

Mr. Milburn: The obvious example is when one of the facility providers in a PFI deal either withdraws or is unable to fulfil its part of the contract, for whatever reason. The EFDA will have been given against a whole PFI deal, but will inevitably cover specific parts of it, so if an element comes adrift for whatever reason, recertification may be necessary. The original certification would have been given for a PFI deal, part of which was no longer operable. Those are the circumstances that I envisage, but frankly it is a pretty minor point.

Mr. Jack: May I press the Minister on that point? He is giving the impression that deals can be subdivided. It was my understanding that a certificate was granted in respect of bankers, who may be external to any service provision in which other parts of the consortium providing the PFI may be involved. The bankers provide the money. If two bankers were involved and one of them ran into a problem and was unable to provide the money, would the mechanism that the Minister has just described work?

Mr. Milburn: There are endless possibilities. The basic point is that if an EFDA has been given and a PFI deal has been certified, and subsequent to that, a component of the PFI deal comes adrift, the deal may need to be recertified. Frankly, that is not a major issue.

Part of the amendment is unnecessary, part is beside the point and the requirement to confirm finance before certifying the agreement would stop the hospital building

programme in its tracks. For those reasons, I invite the right hon. Gentleman to withdraw the amendment. If he does not, I invite the Committee to reject it.

Mr. Jack: We have had an interesting insight into what we can prise out of the Minister when we propose a straightforward, simple and helpful amendment. We have discovered a new dimension to the potential granting of not just one certificate but subsequent certificates under various, perhaps obscure, circumstances in which the nature of the provision of parts of a contractual arrangement changes.

It would useful if the Minister were to consider publishing explanatory guidance, to ensure that those who read in *Hansard* the slightly uncertain explanation of the variations on those terms know exactly where they stand. I remind the Minister that the whole purpose of the legislation is to remove doubt about the legality of entering into financial arrangements. We have seen an interesting scintilla of what might happen if something went wrong.

The Minister said that the Secretary of State would not use the mechanism unless all the financial ducks were in a row, but, on the basis of experience, I think that the Secretary of State could derive added value and advantage from making it absolutely clear that, unless all the promises of finance were in place, a certificate would not be granted. It might happen the other way round: the bankers might say, "We will provide the money, subject to the Secretary of State's signing on the dotted line." We need further clarification.

I am, however, at least 75 per cent. satisfied that a final lock on the use of the legislation is provided by the Bill as currently drafted. Subject to the Minister's agreement to make a clear public statement about the second point that he raised, perhaps in a parliamentary answer—he nods; I am grateful to him—I beg to ask leave to withdraw the amendment.

*Amendment, by leave, wi*hdrawn.*

Dr. Brand: I beg to move amendment No. 6, in page 1, line 15, at end insert

'and

(c) in his opinion the agreement is compatible with the fair distribution of capital and revenue spending within a regional strategic framework.'.

The Chairman: With this, it will be convenient to discuss the following amendments: No. 7, in page 1, line 15, at end insert

'and

(c) the agreement has been subject to a public and published report by the Audit Commission who shall give their assessment of the value for money provided.'.

No. 2, in page 1, line 15, at end insert—

'(3A) The Secretary of State shall not give a certificate under this section unless he is satisfied that the agreement meets the criteria published pursuant to subsection (3B) below and the National Audit Office has confirmed that those criteria have been met.'.

No. 3, in page 1, line 15, at end insert—

'(3B) The Secretary of State shall publish details of the criteria which must be met before an externally financed development agreement is certified under this Act, including criteria relating to—

(a) value for money;

(b) risk transfer;

(c) affordability;

(d) adequate prior consultation;

(e) such other relevant considerations as he may think fit.'.

Dr. Brand: I have been told that I must not talk about my previous and current jobs, but I was delighted to hear the Government commit themselves to abolishing two-tierism in the NHS. I am, however, a little worried by the announcements that have been made about the PFI to date. There is clearly two-tierism in capital development in the NHS. Projects that are "PFI-able"—that, apparently, is a new term that we must all learn—can go on to their own list and climb up it, and if they are lucky and reach the top 14 they will succeed, but we have heard nothing about the assessment of other schemes within regions which are just as essential. Are those schemes being assessed? Are they being considered for public expenditure?

It is not just a case of finding the capital; it is running the service that will take up the resources that are so desperately needed, and if there is to be some sort of resource allocation system, account must be taken of future needs. We discussed that at length earlier.

We also spoke earlier about the need for a regional overview. It is no good allowing schemes to go ahead in one part of a region because the private sector is particularly interested in juicy ways of generating extra income for a particular trust, or for the erection of a particular set of PFI buildings. As I said earlier, there is also the question of the distribution of regional services, which should go where clinical need is greatest and not necessarily where the private sector believes that the PFI can generate more money.

We are not asking for something impossible. I am sure that the Minister already has this in mind, but I am a bit concerned that we have heard nothing from him about the effects that the PFI is having on other new services which need to be developed in the NHS.

Mr. Jack: I hope that the Committee will not mind if I spend some time on our amendments in the group. I have some important points for the Minister. Our amendments provide a two-part check and balance on whether the deal that the Secretary of State is sanctioning, via the mechanism that is the subject of the Bill, fulfils his objectives.

Because of the importance of the PFI mechanism and its role in the health service, there is a need for the National Audit Office to become involved. To date, the Government have shown no reluctance to involve the NAO in some important issues. The Chancellor of the Exchequer used it to underpin some of his Budget assumptions, and if he is prepared to use it, the Secretary of State for Health might be tempted down that road.

The NAO submitted a memorandum to the Select Committee on the Treasury when it considered the private finance initiative. I shall quote briefly from that to give weight to our amendment. It states:

"Although the NAO's investigative work on PFI projects has just begun, it is quite clear that a key issue will be the way PFI projects handle risk: who bears what risks, how much risk traditionally borne by the public sector is transferred to the private sector, and at what price."

That issue is central to many of the proposals that will be implemented through the private finance initiative which is certified by the mechanism with which the Bill

[Mr. Jack]

deals. Our amendment seeks to qualify the way in which the certificates should be issued and shows the importance that we attach to such matters in the context of risk and risk transfer.

The National Audit Office has already demonstrated the role that it can play and it has been consulted by Departments in the recent past on the matters that we are debating. The Minister has said that he is planning some substantial changes to the way in which the PFI operates. He spoke about what he called new public-private partnerships. He is thinking about new mechanisms and I appreciate that at this stage they may be only a small glint in his eye. However, a glint means that he has an idea and perhaps he can say whether those mechanisms would come under the definition of externally financed arrangements and would be subject to the amendments.

The Minister has shown that he attaches great importance to the private finance initiative. In Library research paper 97/88 the Minister is quoted as saying that

"the truth is that when there is limited public capital, it is PFI or bust."

The "or bust" bit worries me because is shows a cavalier desire to achieve his objectives come what may. That is why our amendment sensibly suggests the checks and balances that the NAO would provide. That would make sure that the Minister did not go too far down the road of becoming bust. The benefit of the NAO's views would add value to the proceedings.

On 10 June, the Minister spoke to stakeholders on looking at other possible models of structuring private finance schemes. I was interested that he wanted to improve value for money. That again is one of the aspects of our amendment, so I ask him again to give the Committee some insight into exactly what the other ideas that he is considering are. It is good to be innovative, but I want to make certain that we cover all possible contingencies. A tick in the box from the NAO would be extremely helpful. As I have said, it has been useful in giving examples of what is good practice to other Government Departments.

11 pm

Amendment No. 2 interlocks with amendment No. 3 in saying that the use of the procedure that we have outlined depends on all of us having a clear idea of the criteria that will be deployed to achieve the Bill's stated aims and other relevant issues. The Minister placed in the Library a document entitled "Review Criteria". I wanted to find out a little more about how he was going to approach the question of what would or would not be a PFI arrangement and, by means of a parliamentary answer, he confirmed to me:

"The criteria for measuring health service need is expected to be similar to that used to assess service need in the recent Private Finance Initiative prioritisation exercise, copies of which have been placed in the Library."—[*Official Report*, 10 July 1997; Vol. 297, c. 577.]

I was grateful that the Minister did that because it gives a clear insight into some of the reasons why we have tabled the amendment.

Paragraph 10 of the document discusses "service need". It leads us to probe carefully what criteria the Minister and the Secretary of State for Health will follow in determining the way in which the PFI operates. In listing a number of factors that the Minister will take into account, why has he not distinguished in any way, shape or form the statistical weighting that he attaches to these criteria? From the way in which he has laid out the document,

"improved clinical quality of services"

carries precisely the same weighting as

"improved strategic fit of services".

Will we get a more detailed explanation of exactly what all these factors mean? What exactly does "improved" mean in

"improved clinical quality of services"?

Improved relative to what? Will the Minister publish data that will enable us to come to conclusions?

On quality of services, I have asked the Minister questions in another context about the word "quality". So far, quality is not a statistically defined word or term that the Minister has been prepared to use, but, if we are going to have stated criteria, as our amendment suggests, we need to have this information published and in considerable detail, so that we may follow the matter more closely.

The same could be said of other items here. I could go through them in detail, but I will not. I want to pick out just one or two things that are particularly important. "Improved strategic fit" of services is mentioned. Liberal Democrat Members may be interested in probing that subject as it goes to the heart of the matter. How exactly will the Minister's new mechanism to determine future PFI projects—the ones that are the subject of his further representations and of further PFI arrangements, and which may ultimately be the subject of public capital arrangements—fit into this wonderful phrase "improved strategic fit" of services? Bearing it in mind that the Minister has brought back in-house the whole question of the way in which hospital investment will operate, he owes it to the Committee to let us into the secret of what "improved strategic fit" means.

The projects on the Minister's winners list are very interesting. North Yorkshire, the north-east, north Durham, Bishop Auckland and south Tees are all winners and, I am sure, worthy projects, but they are awfully close to each other. The Minister may wish to correct me, but my understanding is that an independent consultants' report asked some searching questions about whether the Bishop Auckland project was viable. The Minister may say that subsequent to the health authority receiving that report, the project was amended and became viable. What we do not know is how Darlington hospital, in the Minister's constituency, now fares with the arrival on the winners list of Bishop Auckland.

Does the Minister intend to use some sort of Paretean criteria in deciding future winners in his strategic overview? A case could be made that worthy as north Durham, Bishop Auckland and south Tees are, until we have a better insight into what the wonderful phrase "improved strategic fit" means, we shall have no idea of the criteria and whether they will lock on to a good private finance initiative project.

Will the Minister publish a Green Paper which would allow all of us to contribute our views to the debate that he wants on the grand strategy that he is now devising?

Will he publish a White Paper laying down in clear, unequivocal terms, not only what "improved strategic fit" means, but what

"provide better access to services"

means? That is an important point in relation to the criteria which are the subject of our amendment. Does

"provide better access to services"

mean—to go back to my hon. Friend the Member for Hexham (Mr. Atkinson) who, sadly, is not in his place—more Hexhams, where we reduce the distance people have to travel to acute NHS hospitals? Does it mean removing services from regional centres and spreading them around so that people can get easier access? Or does it mean having fewer district general hospitals, but with better services so that access to them therefore provides better access to services? It is that sort of vague phraseology that needs to be tied down if, when devising new criteria, the exercise is to be more transparent—to pick up on the Minister's words—and be seen to be what it is. It is extremely important that we have that information.

It is also extremely important to look at another phrase,

"make more effective use of resources."

What would be the Minister's reaction, in the context both of risk valuation and of getting better value for money by making more effective use of resources, if in his new world he were to receive non-compliant bids from organisations which had been invited to compete for private finance initiative projects?

I refer the Minister to section 10 and to schedule 2 (6)(1) of the National Health Service and Community Care Act 1990, which provide that NHS trusts should obtain value for money. Later in the debate, my hon. Friend the Member for Stratford-on-Avon (Mr. Maples) will deal with the matter of clinical services. What will happen in a situation, however, in which the Minister has defined all the criteria that will guide his decision-making process but in which a consortium submits a bid that does not comply with his criteria and yet demonstrably provides the best value for money, perhaps by including a range of clinical services?

Under the new criteria, what would the Minister or the Secretary of State do to comply with those provisions of the 1990 Act? Would such a bid be in or out? If the Minister is to achieve his objective of making more effective use of resources, he will definitely have to answer those questions.

As amendment No. 3 states, risk transfer will be a very important criterion. As the Minister knows, risk transfer is very much to do with putting health care provision in the hands of whichever part of the health care equation can best handle it. More specifically, the design risk of a hospital, for example, would be best handled by the private sector partner. In his reply, I hope that the Minister will tell us whether there will be any changes to the already published PFI documentation, which provides clear guidance on risk transfer. Does he propose to maintain that guidance, to change it or to put different mathematical weightings on the risk that he thinks should be transferred?

The Minister knows also that there is a fundamental problem in PFI affordability, because of the differential way in which the NHS deals with the write-down of capital over 60 years and PFI projects operate for periods between 20 or 30 years. He knows also that a substantial sum will have to be allocated to his winners list so that they can make the grade. He told us, however, that subsequent schemes will have to be affordable without the provision of any further central support. Will he highlight how, in his new world, that affordability gap will be closed? Unless he changes the criteria in the NHS—which, so far, he has not said that he will do—the matter of smoothing affordability, as he described it, will remain.

I think that I have said enough to show clearly—

Dr. Tonge Hear, hear.

Mr. Jack: I am glad that there is so much support. Having had a modicum of responsibility for operation of the PFI, I can tell hon. Members that, if we do not very carefully define our terms and criteria, not only will those who are trying to do business under the PFI not know where they are going, but the NHS will not be able to achieve its objectives. I therefore look forward to the Minister shedding some light on the issue.

Mr. Simon Hughes: I shall speak briefly to amendment No. 7 and the question of an Audit Commission report, but I must tell the right hon. Member for Fylde (Mr. Jack) that neither my hon. Friend the Member for Richmond Park (Dr. Tonge) nor I dissent from the proposition that we need to know what the criteria are to be—my hon. Friend was simply suggesting that the Conservative spokesman had made his case adequately on that point.

The Audit Commission has already done some useful work on the PFI and has shown itself to be competent, interested and able, and it might well be better that an existing body be given the responsibility rather than our creating new bodies or setting up quangos to do the job.

11.15 pm

The important point about amendment No. 7, which is not dissimilar to amendment No. 2 tabled by the hon. Member for Stratford-on-Avon (Mr. Maples), is that the report should be public and published and that, given criteria that we all understand, the value-for-money assessment should be considered regularly by the body which does the assessment throughout the whole procedure. The Minister might come back to us and say that he has something else in mind, or the review may show that another body could do the job—that is fine, but one of the things that the health service desperately lacks is independent, objective, consistent accountability. We have to build that in, because I am never prepared to trust any Government with the statistics and the assessment of what goes on in the health service, and I do not think that the public are, either.

Mr. Milburn: I pay tribute to the right hon. Member for Fylde (Mr. Jack), who has great knowledge of and expertise in these matters. He made some extremely important points about affordability, risk transfer and value for money. Those matters are currently dealt with by the PFI process, as he knows. However—I say this advisedly—the right hon. Gentleman is in some danger of putting the cart before the horse. I remind him that the purpose of the Bill is to get existing PFI deals delivered.

[Mr. Milburn]

I take no pleasure in saying that the previous Administration failed in that, and I am not going to repeat those mistakes.

The first stage in the process of getting new capital development under way in the national health service is to get the Bill on the statute book, to get deals delivered and then to move on. We shall certainly be looking at different forms of public-private partnership and at ways to improve the PFI as one form of that partnership. The right hon. Member for Fylde asked me for details on how we might do that. We shall be considering a number of issues in our PFI review.

We shall try to ensure that we no longer go through the endless process of reinventing the wheel when it comes to PFI documentation. One of the real boons of recent years is that because of the steep learning curve that I described earlier, a mass of information and expertise is now locked in the system, and it is important to take advantage of it so that NHS trusts no longer have to reinvent the wheel for every PFI they enter into. That is why standardisation of documents and contracts will form such an important part of the process in future.

Similarly, I should like improved competition in the PFI and more bidders in place for longer during the PFI process. Such competition might help to improve value for money from the point of view of the public sector and from that of the taxpayer. These will be the subject of detailed further consideration when we undertake our PFI review. I repeat the invitation that I issued earlier: I am happy to receive representations from right hon. and hon. Members of all parties and, indeed, from my right hon. and hon. Friends to ensure that there is a full consultation exercise that takes account of as many views as possible from the House and from the public and private sectors.

The right hon. Member for Fylde went into detail about the criteria that had been used for the initial prioritisation exercise. The criteria may not apply as fully and in the same detail to the next round of prioritisation. It is important for him to understand that at the outset.

The right hon. Gentleman asked for transparency. He has a bit of a cheek, given the lack of transparency from the previous Government on the private finance initiative, most notably their failure even to publish the number of PFI deals under consideration, the number in the pipeline and their assumed capital value. We have put that right and we shall ensure more openness and transparency in future. In that spirit, I assure the right hon. Gentleman that there will be criteria, appropriate weighting and a proper process for future prioritisation exercises. I shall ensure that those criteria are made fully available so that the public can see that the assessments undertaken by the region and the capital prioritisation group in the NHS executive are done fairly and objectively.

Mr. Jack: I am grateful to the Minister for his kindness in answering one half of the range of questions that I asked. One of our amendments deals with the National Audit Office. I understand the Minister's reluctance to go all the way, but can he assure me that the National Audit Office's expertise might be used at least in a sampling operation to ensure that deals done under the new arrangements meet his criteria?

Mr. Milburn: If the right hon. Gentleman gives me a moment or two, I shall come to the point about the NAO and the Audit Commission when I deal with the amendments individually.

The right hon. Gentleman referred to the north-east schemes. It is important to set the record straight. He knows full well that the decisions on Northern and Yorkshire schemes were taken by my right hon. Friend the Secretary of State. I absented myself from those decisions, for reasons that are crystal clear. It was important that I should do that. All the schemes that the right hon. Gentleman highlighted—south Tees, north Durham and Bishop Auckland—had been well highlighted for many years as front runners for the PFI. I do not believe that there were any surprises there, although if the right hon. Gentleman has information to the contrary I should be happy for him to share it with me.

During the previous 17 years, from 1980 to 1997, just two new hospitals were built in north-eastern England. I am pleased about my right hon. Friend's decision, because it means that the region, together with others, will catch up. We shall provide long-overdue facilities not just in my part of the world but in communities up and down the country.

Some of the issues that the right hon. Gentleman has highlighted may appear in another guise, but that is a subject for further consideration. I assure him that our criteria will be made publicly available.

I shall now deal with each amendment in turn, starting with amendment No. 6. We can sign up to the fair distribution of revenue and capital. As the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) is well aware, we want to ensure a fairer distribution of NHS resources. In particular, we want to ensure that NHS need is properly taken into account in the allocation of resources for secondary and primary care services. I shall make a further announcement about that in due course.

However, I am afraid that there are fundamental problems with the amendment. The first concerns its drafting. It refers to the need to ensure that the agreement is

"compatible with the fair distribution of capital and revenue spending within a regional . . . framework."

I am afraid that terms such as "compatible", "fair distribution" and "regional framework" are very imprecise. Frankly, it is that lack of precision, aside from any other factor, which makes it impossible to accept the amendments. The PFI has already been lawyer-fest and they have done very well out it. The last thing that I intend to do is to give lawyers yet more business. That is why I am determined that the Bill should be properly and precisely drafted.

Mr. Simon Hughes: I declare my interest as someone who trained and practised as a lawyer. The Minister cannot have it both ways; one cannot have plain English on the one hand yet reject things that are drafted to be absolutely plain. The Minister must certify that any agreement is fair, within a regional strategic framework and compatible. If he cannot do that, it is his problem, not ours. We think that the amendment is clear.

Mr. Milburn: I am sure that the hon. Gentleman thinks that it is clear, but I am afraid that it does not stack up.

It is by no means clear whether the amendment—I am happy to be advised on it—contemplates simply ensuring equality between trusts within each region or more general equality between all trusts by using a regional strategic framework. I am unclear; I guess that NHS trusts would be unclear, and certainly the private sector would be unclear. The only people who would be making business from that lack of clarity would be the aforementioned lawyers.

We can be quite sure that the Bill is not the means by which to address such issues. As I said recently, in future we will prioritise capital schemes. In doing so, we will take health service need as the driving force. We want a well-thought-out and rational capital expenditure policy that covers PFI schemes and publicly funded schemes. Above all, any consideration of the proper allocation of resources to trusts needs to take place long before the agreement is submitted to the Secretary of State for certification.

The amendment does nothing to improve the fair distribution of resources, however the hon. Gentleman defines fair. I am afraid that it suffers from being hopelessly imprecise. I know that the intentions behind it are good, but I am afraid that when it comes to defining words on the statute book, good intent is not quite good enough. It would introduce a further element of uncertainty into a Bill that is designed to end that. I therefore ask the hon. Member for Isle of Wight (Dr. Brand) to withdraw the amendment. If he will not do so, I invite the Committee to reject it.

Amendment No. 7 refers to the assessment by the Audit Commission. The Secretary of State's certification identifies that an agreement is an externally financed development agreement, an EFDA, under the terms of the Bill. That certification will usually take place when the contract is signed between the NHS trust and the private sector. For that reason, the Audit Commission cannot assess the value for money of an agreement in advance of its certification since there will be no legally binding agreement for it to assess.

The hon. Member for Southwark, North and Bermondsey will be aware that the Audit Commission's main task is to audit expenditure already incurred and decisions already taken, not to provide a form of guarantee in advance that a particular proposal represents value for money.

The right hon. Member for Fylde asked about the National Audit Office. It will not examine an agreement retrospectively to assess its value for money. I am more than happy for either the Audit Commission or the NAO to consider PFI deals for value for money. I positively invite them to do so. We have nothing to hide.

We believe that if a PFI deal has been certified, by definition it gives improved value for money and improved risk transfer for the public purse. If the right hon. Gentleman and the hon. Member for Southwark, North and Bermondsey are seeking further assurance about the role of the NAO and the Audit Commission, I am more than happy to invite them to scour each PFI deal to which we give the go-ahead to re-establish that confidence in the process about which I spoke earlier.

The hon. Member for Southwark, North and Bermondsey might want to bear in mind a final point about the Audit Commission. The amendment would require the commission to publish its value-for-money assessment of a proposed scheme, but it would not require the commission's views to be taken into account. Of course, Ministers always have due consideration for Audit Commission reports; it is an extremely important body and its reports are extremely influential, but, as drafted, the amendment does not give the hon. Gentleman what I suspect he wants—for me to take on board the Audit Commission's views. For those reasons, I invite him to think again, save the Committee a bit of time, allow us to make progress and not press the amendment.

11.30 pm

On amendment No. 3, there has been more than a little reinventing of the wheel. The criteria that have to be met before a PFI scheme is allowed to proceed are well known. They include criteria referred to in the amendment, including value for money, risk transfer and affordability. All those factors have to be taken into account well before an agreement is certified. In particular, they have to be taken into account when the Department of Health is asked to approve the full business case for a PFI scheme. Unless the criteria are met, a scheme will not be allowed to progress beyond that point and achieve certification.

The requirement for adequate prior consultation proposed in the amendment is an odd and subjective test. The right hon. Member for Fylde has just been giving us his views on subjectivity and on the need to improve objectivity. When he reconsiders the amendment, I am sure that he will agree that its wording—where it calls for "adequate prior consultation"—is inadequate. As I said, as part of our PFI review, we shall certainly want to look again at consultation arrangements to secure the right balance between the maximum public openness and the minimum risk to commercial confidentiality.

I shall turn finally to amendment No. 3—*[Interruption.]* I am pleased that my hon. Friend the Member for Leeds, East (Mr. Mudie), the deputy Chief Whip, supports me in my endeavours. As I have not been in favour of amendment No. 3, it follows that I shall not be in favour of amendment No. 2. Criteria such as value for money are considered before my Department or, indeed, the Treasury, approves the full business case for a PFI scheme. The amendment simply enshrines in law what already happens and, in doing so, complicates the Bill without achieving any changes in practice.

For all those reasons, I invite the right hon. Member for Fylde not to press his amendment. If he will not do so, I invite the Committee to reject it.

Dr. Brand: We shall not press amendment No. 7 to a Division. But it would be good if the Minister could give an undertaking that the Audit Commission's annual management letter will be published. The Audit Commission considers the NHS and its effectiveness; it would be a good sign of open government if that letter were to be published.

The Minister has been reassuring all night, but he has lost me on amendment No. 6. I am not a lawyer, so I am not qualified to assess such things, but the amendment is absolutely clear. It states that we expect the Minister, before acting as final arbiter of a PFI scheme, to ensure that "PFI-ability"—as the night goes on, that phrase becomes more difficult to say—does not milk resources from other essential developments that a region needs. We have not received a reassurance on

[Dr. Brand]

that matter. The PFI cannot be taken in isolation, distinct from other capital and service developments. I should therefore like to stress that the amendment is necessary.

The other important issue is an acknowledgement that there is a need for a regional strategy. I hope that, in pressing the amendment, we will have the support of the Deputy Prime Minister, who I know has a great interest in regionalisation.

Mr. Jack: I am grateful to the Minister, whose response to our points has been very courteous, for stating that he is to publish the details of the criteria outlined in amendment No. 3. However, I did not hear the hoped-for assurance that he would go a little further in terms of the details that he will provide. The point about publication is to press him to go beyond the rather bland statements in the criteria he used to select the 14 projects that are now able to proceed with negotiations.

The Minister looks pained—he is probably tired, because it is the first time he has been up as late as this. I know that it is difficult to concentrate on these matters, but those of us who have a genuine interest in those who need new hospitals will continue to press the Minister until he is alert to answer our questions. We need some numerical or objective measures to understand what are his new criteria.

Mr. Milburn *rose—*

Mr. Jack: I shall give way in a minute. The Minister is a careful man and I have always admired the care with which he addresses the House of Commons. However, I would remind him of the terms he gave me in a reply, in which he said that the new review would be a bit different from the existing one. He stated that

"the criteria for measuring health service need is expected to be similar to that used to assess service need in the recent Private Finance Initiative prioritisation exercise".—[*Official Report*, 10 July 1997; Vol. 297, c. *584*.]

That and other answers to parliamentary questions definitely led me to believe that there would be more than a passing similarity to the points made here. Can I tempt the Minister to the Dispatch Box to satisfy me on that point?

Mr. Milburn: The right hon. Gentleman has anticipated what I was going to say. We expect the criteria to be similar, but we will be making decision in due course. When we have made the decision, we will, of course, publish the criteria.

Mr. Jack: I hope that that detail will be available to us, because it is very important. Our amendment No. 2 states:

"The Secretary of State shall not give a certificate under this section unless he is satisfied that the agreement meets the criteria published",

and then we simply listed those. The Minister said the amendment was not necessary because the criteria would have had to be satisfied in the first place. My interpretation of our amendment is that that was the starting point of the exercise and that, once the criteria had been published, the Minister's view of the world would then prevail—but, by definition, it could not prevail until the criteria had been published. We shall watch carefully for the details.

I am grateful to the Minister for including the National Audit Office in the process and I agree with the way in which that has been done. I remind him that his comments on the question of having standard-form contracts in future borrow entirely from the successful policy we introduced into the Prison Service—or at least, we were getting there, but we were overtaken by events. There was a template arrangement in the Prison Service and I am glad that he borrowed from our good practice.

On the question of value for money, risk transfer and affordability, my comments about the Northern and Yorkshire region were not meant as a personal criticism of the Minister. However, he did not respond to my important point. My reason for pressing him was that he will achieve neither value for money nor affordability until he can answer questions such as: will having three new district general hospitals in a tight geographic area have any deleterious effect on the existing hospitals such as that in Darlington? Health experts have led me to understand that, as a result of that expanded capacity, there will be surplus capacity in Darlington that will have to be funded.

We shall look for the opportunity cost factors that will be involved in the exercise that the Minister is carrying out. I say that to save the Minister making an error in future. He is a reasonable man; I am as well, and I like to help Ministers who are moving towards our joint objective of having more PFI hospitals.

In the light of the assurances given by the Minister, we shall not seek to press amendments Nos. 2 and 3.

Question put, That the amendment be made:—

The Committee divided: Ayes 26, Noes 216.

Division No. 54] **[11.39 pm**

AYES

Allan, Richard *(Sheffld Hallam)*	Keetch, Paul
Baker, Norman	Kirkwood, Archy
Ballard, Mrs Jackie	Livsey, Richard
Brand, Dr Peter	Oaten, Mark
Burstow, Paul	Öpik, Lembit
Campbell, Menzies *(NE Fife)*	Rendel, David
Fearn, Ronnie	Russell, Bob *(Colchester)*
Foster, Don *(Bath)*	Sanders, Adrian
George, Andrew *(St Ives)*	Stunell, Andrew
Gorrie, Donald	Taylor, Matthew *(Truro)*
Harris, Dr Evan	Tonge, Dr Jenny
Harvey, Nick	
Heath, David *(Somerton & Frome)*	**Tellers for the Ayes:**
Hughes, Simon *(Southwark N)*	**Mr. Paul Tyler and**
Jones, Nigel *(Cheltenham)*	**Mr. Phil Willis.**

NOES

Ainsworth, Robert *(Cov'try NE)*	Betts, Clive
Allen, Graham *(Nottingham N)*	Blackman, Liz
Anderson, Janet *(Rossendale)*	Blears, Ms Hazel
Armstrong, Ms Hilary	Blizzard, Bob
Banks, Tony	Borrow, David
Barnes, Harry	Bradley, Keith *(Withington)*
Barron, Kevin	Bradshaw, Ben
Battle, John	Brinton, Mrs Helen
Bayley, Hugh	Brown, Rt Hon Nick *(Newcastle E)*
Beard, Nigel	Brown, Russell *(Dumfries)*
Beckett, Rt Hon Mrs Margaret	Browne, Desmond *(Kilmarnock)*
Bennett, Andrew F	Buck, Ms Karen
Benton, Joe	Burden, Richard

Burgon, Colin
Butler, Christine
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Clapham, Michael
Clark, Dr Lynda
(Edinburgh Pentlands)
Clarke, Charles (Norwich S)
Clarke, Rt Hon Tom (Coatbridge)
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain *(Hammersmith)*
Colman, Tony (Putney)
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Dawson, Hilton
Denham, John
Dismore, Andrew
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Eagle, Angela (Wallasey)
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Fatchett, Derek
Fitzpatrick, Jim
Foster, Michael John *(Worcester)*
Foulkes, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Godsiff, Roger
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian *(Tamworth)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny
(Wolverh'ton SW)
Jones, Jon Owen *(Cardiff C)*
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Ladyman, Dr Stephen
Laxton, Bob
Lepper, David
Lewis, Ivan *(Bury S)*
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
Macdonald, Calum
McDonnell, John
McFall, John
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Maxton, John
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
O'Hara, Edward
O'Neill, Martin
Organ, Mrs Diana
Osborne, Mrs Sandra
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Roy, Frank
Ruddock, Ms Joan
Sawford, Phil
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine
(Morecambe & Lunesdale)
Smith, Jacqui *(Redditch)*
Smith, John (Glamorgan)
Smith, Llew (Blaenau Gwent)
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann
(Dewsbury)
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Ward, Ms Claire
Watts, David
Winterton, Ms Rosie *(Doncaster C)*
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. David Jamieson and Jane Kennedy.

Question accordingly negatived.

Dr. Evan Harris (Oxford, West and Abingdon): I beg to move amendment No. 8, in page 1, line 15, at end insert

'and

(c) if the National Health Service trust has proved to his satisfaction that the agreement would not restrict clinical freedom or patient choice.'.

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): With this it will be convenient to discuss the following amendments: No. 4, in, page 1, line 24, leave out from 'property' to end of line 25 and insert—

'(b) any non–clinical services, and

(c) any clinical or clinical support services agreed to by local clinicians.'.

No. 9, in page 1, line 24, leave out from 'property' to end of line 25.

Dr. Harris: It is unfortunate that, on my first opportunity to speak on national health service legislation in this place, an hour ago I was called to attend a visitor to the House who had collapsed outside the Chamber. I sent him to St. Thomas's hospital, and I am sure that all hon. Members wish him a speedy recovery. It is important to take note that I passed on his care to an NHS paramedic, who passed it on to an NHS ambulance worker. I spoke to an NHS doctor in the company of NHS nurses at the hospital. *[Interruption.]*

The Second Deputy Chairman: Order. There is far too much general chatter in the Chamber. The hon. Member for Oxford, West and Abingdon (Dr. Harris) should be heard in silence.

Dr. Harris: Thank you, Mr. Lord. I suspect that that gentleman will have a chest X-ray, which will be conducted by NHS radiographers and examined by an NHS radiologist—it may be the husband of my hon. Friend the Member for Richmond Park (Dr. Tonge). He may have a blood sugar test and give a urine sample, which will be examined by laboratory staff—not pathologists—who are employed by the NHS. I do not think that the gentleman suffered a heart attack, but, if he did, his rehabilitation will

[Dr. Harris]

be provided by NHS occupational therapists. We seek to preserve that NHS clinical team in our amendment No. 9. That team provides the patient care, and its integrity under single, NHS, management, is vital to a good service and adequate care provision in the NHS.

We believe that the term "service" used in the Bill is too vague. The Minister said, when commenting on another Liberal Democrat amendment, that vagueness is dangerous in legislation such as this. Therefore, we urge the Government to accept amendment No. 9, which seeks to remove the vagueness by deleting the term "service". We are not reassured by statements made by the Minister, his colleagues in another place and by the Secretary of State that—undefined—clinical services will not be subject to the PFI and therefore run by private companies. Without definition, we cannot be reassured on that point.

We must also reassure those who work in the health service. My former colleagues and other NHS staff view the PFI and private sector involvement in the health service with great suspicion. It is vital that we address the problems of low morale and suspicion among clinical staff as, in many geographical areas and in many specialties, we face a recruitment crisis that affects medical staff, nursing staff, those in the professions allied to medicine and those in support services. Many of my former NHS colleagues say that they will not apply to hospitals that are run under the PFI. I recall that an early draft of the Norfolk and Norwich PFI scheme gave no consideration to accommodating junior hospital doctors on call at night, and the problem was noticed and pointed out only at a late stage in negotiations.

It is also the case that, in many of the schemes, little provision may be made for circumstances in services which had previously been defined as non-clinical, such as catering, where it is not really in the interests of a company trying to run catering efficiently and for profit to provide food for isolated clinicians working in the middle of the night. Hon. Members on both sides of the House would be gravely concerned if there was not a bite to eat or a drop to drink in the House after 8 pm. That is the danger of not ensuring that the national health service, which does at least have some accountability to those working in it, continues to provide those services.

At the election, Labour stood for an end—Liberal Democrats support this—to local pay bargaining for nurses and, by implication, other staff. What is it if it is not local pay bargaining when some NHS workers are contracted out—whether or not it be within the undeclared definition of clinical services—to a local contractor and then have to negotiate terms and conditions locally? It is local pay negotiation by the back door. I am sure that hon. Members on the Government Benches will be very keen to preserve the national part of the national health service, to preserve national terms and conditions, as they are pledged to do, but that will not be possible while not excluding the word "services" from the text of the Bill.

It is important that we recognise the contribution that is made to NHS clinical services by education and research establishments within the NHS. Academic medicine provides approximately 10 per cent. of direct patient service. Many of the education sectors of the health service, including many in my constituency, are provided not only by doctors but by research workers and other staff in the hospital. The contiguity of the team in education and in the labs, which provides the service to the hospital, is under threat. Applications to those posts, which are already depleted, will be under threat if we do not reassure staff. The best way to do that is to define clinical services on the face of the Bill, which the Minister ruled out on Second Reading, or to remove the term "services" altogether. That would improve the Bill.

Amendment No. 8 talks of the need to ensure that patient choice is preserved. We heard concerns about research that shows that bed provision in PFI schemes is between 26 per cent. and 30 per cent. below what health service academics who have looked at this feel is required. The *British Medical Journal* may not be required reading even for new Labour Members, but it was adequately reported in *The Guardian*. We have yet to be reassured about that concern.

There is also a concern that, with time, patient needs will change and that some of the PFI schemes will lock the NHS into relatively secret 30-year contracts. The hon. Member for Stratford-on-Avon (Mr. Maples) raised a concern—it has not been answered satisfactorily—about a different choice. A PFI scheme is either a straight leasing scheme with no transfer of risk, where it will clearly be just a more expensive way to raise capital for the NHS, or the risk will be transferred to the private sector, which will want a bigger return to justify this. The private sector is more likely to get a return on matters relating to running services where it can see scope for expansion or where it can be protected against an excess of capacity versus an excess of demand. No reassurance has been given that patient choice will be protected where there is just an excess of demand for a scheme that is locked in for 30 years. That is another unaddressed concern that we have.

More worrying is the lack of democratic accountability in the NHS at the moment. It was surprising to hear the Secretary of State indicate from a sedentary position on Second Reading that he felt that democracy was being brought into the NHS by the new round of appointments that are about to be made. That is not democratic, and it is barely accountable. It is strange that, in local authorities, where compulsory competitive tendering has led to the private sector employment of people providing vital public services, there is democratic accountability for decisions made, whereas in the health service, where there is little or no democratic accountability, there seems to be no protection or comeback for professional groups that feel that they may be hostages to fortune to whatever private sector company is running their service. We cannot be reassured, as we were invited to be earlier, that terms and conditions might improve under the private sector. They may improve for the first year, but there are many examples of where what is granted in the first year by privatised industries gradually regresses into something worse than we would support.

For all these reasons, we are suggesting amendments Nos. 8 and 9.

12 midnight

Mr. Maples: The Liberal Democrat amendments in this group seem to be like all the others—it is not, of

course, for me to answer them—in that if they were agreed to they would kill the private finance initiative stone dead. I do not see how amendment No. 8 would ever work. Indeed, it provides for a lawyers' charter. I am surprised that an amendment with the names of three doctors to it should provide for such a charter. Perhaps the Liberal Democrats have their objectives slightly muddled.

An amendment that would omit any references to services would make it almost impossible to see an PFI project through. I suspect that none of the smaller ones would go through. Even the large ones, those relying on property maintenance services, would be in question. The service element is a crucial element in securing value for money and risk transfer. If it were not present, the project would not fly and it would become straightforward public expenditure.

I ask the Minister to consider amendment No. 4, which would split the service question into non-clinical services and clinical or clinical support services. I realise that it begs a question and does not assist with the problem of definition, but I ask the Minister rather more to share his thinking with us. I raised some of the considerations on Second Reading and I feel that in his reply—I know that he had many matters to which to respond—he did not deal with them fully.

It is easy to pose the extremes, and I imagine that the Government have no problem with property services and maintenance as attached to a PFI contract. On the other hand, there is a great deal of problem with open-heart surgery being provided as part of a PFI contract. The difficulty lies in drawing the line, and I am not suggesting that the drawing of it is easy. As the Minister says that he will try to develop some guidance, however, I shall try to develop the matter.

I am disappointed that the Minister has already ruled out radiography and pathology. I gave an example on Second Reading of a theoretical scheme that might work well in the area of pathology. It may be that something like that, attached to a PFI project, would make the project work, provided that there was value for money and risk transfer. Without those elements the project would not exist. If there were merely the construction of a building, that would not fly for there would be only a leasing deal. There must be a service element attached to the project, and it may be that the logical service lies in a clinical support area. Ruling that out from the start seems to be restricting the possible scope of PFI projects.

As I said on Second Reading, the NHS already buys in an enormous amount from the private sector without apparently any ideological problem. General practitioners are effectively in the private sector. They represent small businesses that contract independently with the NHS. We buy in all our drugs and other supplies. The year before last, apparently, we spent £800 million directly buying in health care. If that has been acceptable to us all for years, perhaps without realising consciously that it has been happening, I do not understand why it should be unacceptable to include radiography or pathology services in a PFI bid.

Amendment No. 4 provides that there should be agreement by "local clinicians" to provide the sort of safeguard that the Government would probably require, and one which the previous Secretary of State, my right hon. Friend the Member for Charnwood (Mr. Dorrell), had always discussed.

I shall focus on the issue by asking the Minister what he would do if he received a really good proposal that he wanted to put into effect, that might allow the building of a new district general hospital, but for PFI purposes meant the inclusion of pathology and radiography services—the two examples that he has excluded already. Let us suppose that those services were part of the project and that without them the value-for-money and risk criteria would not be met, but otherwise the proposal would go straight to the top of the Minister's list of priority projects. How would the Minister deal with that? Perhaps he will develop his thinking with us and explain how he proposes to deal with that issue.

Mr. Milburn: The amendments represent the two extremes on clinical services under PFI. The Liberal Democrat amendment No. 9 would prevent any transfer of services under the private finance initiative, with the consequent wrecking of the leading schemes, especially those at Norwich and at Dartford, and the other 12 schemes that we have prioritised thus far.

The hon. Member for Oxford, West and Abingdon (Dr. Harris) gave a reasonable presentation of his case. However, if he is prepared to wreck the Bill and thus wreck the prospect of new hospitals for those communities, he should have the courage of his convictions and should go to those communities and explain to them why, out of ideological dogma—which is what it is—he is not prepared to let them have those hospitals. It is incumbent on him to do that.

Amendment No. 9 seems to be designed to prevent the Secretary of State from certifying an agreement under which any services are to be transferred to the private sector. The practical result of that would be that such agreements would not reach financial close, with the consequence that none of the major PFI acute schemes would be built.

As Liberal Democrat Members have shown a profound lack of understanding of what the PFI does, perhaps I should explain why, under the PFI, some services are transferred to the private sector. The PFI is not an expensive way of raising a loan to build a hospital: it is a way of providing the NHS with a complete service, including buildings and non-clinical support staff, for which the NHS pays. Under the PFI, significant amounts of risk are transferred to the private sector, so that if the service stops, so do the payments by the health service. All the major hospital schemes that are now going ahead have been developed on that basis. The amendment would stop every one of those schemes in its tracks.

That is not to say that there will not be new forms of public-private partnership in the future. I have already said that our review of PFI will consider other partnership agreements. We shall consult to see whether there are other ways of engaging with the private sector for the benefit of patients. The amendment prejudges that review and its conclusions about where the dividing line between clinical and non-clinical services should lie.

On amendment No. 8, arrangements already exist to ensure that these issues are considered—as they certainly should be—well before an agreement is submitted to the Secretary of State for certification. A trust must justify a PFI scheme to the Department of Health when requesting approval of the full business case. It must also justify it to the Treasury. In so doing, it must show what options

[Mr. Milburn]

it has considered to meet its service needs, and why it has chosen its preferred option. I would expect it to demonstrate, among other things, the clinical advantages of its preferred option. That is a fundamental aspect of a PFI scheme.

I am happy to assure the hon. Member for Oxford, West and Abingdon that I shall see to it that these issues continue to be given proper weight when a PFI scheme is taken forward. That need not be specified in the Bill, which, for the benefit of Liberal Democrat Members, is about removing doubt, providing certainty and, above all, getting new hospitals built.

I shall deal with the other end of the spectrum. Amendment No. 4 is a neat reinstatement of the previous Government's position on this issue. It tells its own story. It shows the Tory party's failure to understand why it lost the general election. It lost on 1 May because the British people no longer trusted it. Above all, it lost because it was not trusted on the national health service. It was not trusted because the public believed, quite rightly, that it intended to privatise the national health service, and, if amendment No. 4 is anything to go by, it clearly has exactly that intention now.

This is, of course, all dressed up in the clothes of "clinical choice". The Opposition's line is that, if desperate doctors working in an antiquated hospital say that the price that they are willing to pay to get a modern hospital is private employment through a PFI deal, that deal should be given the green light. Let me tell the hon. Member for Stratford–on–Avon (Mr. Maples) that, while I am all for clinical choice, I am adamantly opposed to the privatisation of clinical services in any part of the NHS. I remind the hon. Gentleman—who seems to have forgotten—that it is a national health service of which Members of Parliament are guardians, not a rag-bag collection of competing local health services. This Government are determined to run the service as a national health service; we are also committed to run it in accordance with our manifesto commitments. The manifesto committed us to opposing the inclusion of clinical services in PFI deals, and, despite the hon. Gentleman's prompting, I am not about to reverse that principle by accepting amendment No 4.

As I have explained, as part of our review of the PFI the Government will, for the first time in the history of the NHS, define where the boundaries between clinical and non-clinical services lie. That will form part of the PFI process. If the hon. Member for Stratford-on-Avon wants to make representations, I invite him to do so, but the last thing that we need is yet more uncertainty in the Bill. As the hon. Gentleman knows, what we need tonight is clarity, so that we can make progress.

Mr. Maples: For the first time during the debate, I heard ideology creeping into the Minister's speech. Although I understand some of his reasons, I feel that there should be practical reasons for acting or not acting.

As I said earlier, the NHS buys in a certain amount of health care from the private sector. I do not know the amount now, but it was £800 million-worth two years ago. I do not hear the Minister saying that he proposes to abolish that arrangement, and I do not think that the Conservative Government were heavily criticised for presiding over it. Health authorities probably acted with good reason, making decisions for themselves.

There are so many examples of the health service buying in services from the private sector that the ideological no-go area proposed by the Minister is likely to restrict the number of options open to him. My right hon. Friend the Member for Fylde (Mr. Jack) mentioned the haemodialysis service at Darlington Memorial hospital, which was set up and is being operated under the PFI. Presumably the Minister would not have allowed that, although he is probably more familiar with what clinicians and others at the hospital think about it than any of the rest of us are. Will the Minister reflect on whether the PFI has really caused the problems for doctors and patients that he suggests the amendment would cause? I hope that he will keep an open mind in his review—or, at least, a more open mind than he appears to have now. I do not think that he should start ruling things out.

Interestingly, the Government seem to have changed their position. On the first day of debate in the House of Lords, the Minister who was dealing with the Bill did not rule out radiology and pathology services, but did rule them out a few days later—in Committee or on Report; I forget which. I should have thought that, with several years of office ahead of them and with a review on the subject, the Government would be wise not to rule out such services. They may well find that schemes that they want to introduce rely on the value-for-money and risk-transfer elements involved in some degree of service provision.

Drawing the line between clinical and non-clinical support is extremely difficult, and I hope that the Minister will take that into account in the review. He has as good as said that he will.

Dr. Harris: I thank the Minister for his reply in respect of amendment No. 8. We continue to hear reassuring noises from the Government about scrutiny to ensure that patients' interests are preserved, but we shall continue to carry out the scrutiny of the Government in a way in which the Conservative party cannot.

12.15 am

Amendment No. 9 relates to the definition of clinical services. In the first Health Question Time in this Parliament, the Secretary of State said:

> "When the Bill comes to this House from the House of Lords, if the hon. Gentleman wishes to move an amendment to make that clear I shall consider it carefully."—[*Official Report*, 20 May 1997; Vol. 294, c. 504.]

Despite attempts in another place, we do not think that the Government have considered this matter carefully, because in the other place we requested a list of clinical services as the Government saw them. It is unsatisfactory to have an assurance from the Minister now that only after the Bill is passed will there be such a list. There was plenty of time to define it, and simply throwing in the expression "pathology and radiology services" betrays a lack of understanding of the extent and integrity of the clinical team.

We do not wish to stop the building of any hospital. The Government claim that the amendment risks threatening the private finance initiative. That is the Government's view, but it is not ours. The Bill as drafted

puts at risk the national health service as we know it, and we would rather tie our colours to the mast of protection for the NHS than any perceived risk to the PFI.

Mr. Milburn: It is not our perception: it is the view of the bankers, and they will stump up the cash. If the hon. Gentleman intends to press this matter to a vote, he should also be intent upon explaining to the 14 communities that their hospitals will not be built. There should be some honesty among Liberal Democrat Members.

Dr. Harris: We do not accept that the amendment puts any hospital at risk, and it is not our intention to stop the building of any hospital. We have consistently, and this year, promised extra funding for the national health service. The Minister's reference to bankers more eloquently betrays a lack of understanding of the nature of NHS functions as a public service than anything that has been said earlier.

We shall press our amendment on this issue to a vote. Following Ministers' remarks in another place, doctors, the Royal College of Nursing and ourselves are not satisfied. We shall put down a marker that it is creating a hostage to fortune to allow the private finance initiative to proceed into the field of clinical services. We shall press amendment No. 9.

The Second Deputy Chairman: Order. We must first dispose of amendment No. 8.

Dr. Harris: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: No. 9, in page 1, line 24, leave out from 'property' to end of line 25.—*[Dr. Harris.]*

Question put, That the amendment be made:—

The Committee divided: Ayes 26, Noes 174.

Division No. 55] **[12.17 am**

AYES

Allan, Richard *(Sheffld Hallam)*
Baker, Norman
Ballard, Mrs Jackie
Brand, Dr Peter
Burstow, Paul
Campbell, Menzies *(NE Fife)*
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Gorrie, Donald
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kirkwood, Archy
Livsey, Richard
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Stunell, Andrew
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny

Tellers for the Ayes:
Mr. Paul Tyler and
Mr. Phil Willis.

NOES

Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Armstrong, Ms Hilary
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Bennett, Andrew F
Benton, Joe
Betts, Clive
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Burden, Richard
Burgon, Colin
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Darling, Rt Hon Alistair
Darvill, Keith
Davidson, Ian
Dawson, Hilton
Denham, John
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Efford, Clive
Ennis, Jeff
Fatchett, Derek
Fitzpatrick, Jim
Foster, Michael John *(Worcester)*
Foulkes, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gibson, Dr Ian
Godsiff, Roger
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hanson, David
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Home Robertson, John
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Ladyman, Dr Stephen
Laxton, Bob
Lepper, David
Lewis, Ivan *(Bury S)*
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
McAllion, John
McAvoy, Thomas
Macdonald, Calum
McDonnell, John
McFall, John
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Michael, Alun
Michie, Bill *(Sheffld Heeley)*
Milburn, Alan
Morley, Elliot
Mudie, George
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
O'Hara, Edward
O'Neill, Martin
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Roy, Frank
Ruddock, Ms Joan
Sawford, Phil
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Spellar, John
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*

Vis, Dr Rudi
Watts, David
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Tony D *(Gt Yarmouth)*

Tellers for the Noes:
Janet Anderson and
Jane Kennedy.

Question accordingly negatived.

Clause 1 ordered to stand part of the Bill.

Clauses 2 and 3 ordered to stand part of the Bill.

New clause 1

COMMENCEMENT

'This Act shall come into force on a day to be appointed by order of the Secretary of State, being a day not earlier than 1st September 1997.'.—*[Mr. Jack.]*

Brought up, and read the First time.

Mr. Jack: I beg to move, That the clause be read a Second time.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this, it will be convenient to discuss new clause 2—*Date on which Act shall cease to have effect*—

'This Act shall cease to have effect three years after enactment.'.

Mr. Jack: The Minister, who is an assiduous man, will no doubt be familiar with paragraph 29(vi) of the Bates report and paragraph 12(6) of a document that I am sure he has studied in great detail, "Guidelines for Smoothing the Procurement Process". Both deal with a matter of considerable importance to the Minister, who told us at the beginning of the debate that he wanted to do all he could to accelerate the PFI process and to leave a nice taste in the mouth of those who are involved in it. The reason we have tabled our new clause, providing a specific date for introduction of the Bill's powers, is to give him time to reflect and to consider the matters dealt with in the two numbered paragraphs.

The Minister is perhaps a little unsighted, and I should perhaps explain the matter in a little greater detail. Paragraph 29(vi) of the Bates report—which I remind him has been accepted in full by the Paymaster General—states:

"When a decision is made not to proceed with a project and that decision is not related to the viability of tenders received, contractors' bidding costs should be refunded. Such a procedure exists already in the Highways Agency and should apply generally across Departments."

That advice, which the Paymaster General claims is new, reflects the advice in one of the numbered paragraphs in "Guidelines for Smoothing the Procurement Process".

I raise the issue now to give the Minister a chance to consider what will happen to those who ultimately become the losers in the exercise. I appreciate that he might guide me in saying that projects that are refused are not yet losers, because they are subject to his consultation exercise and may return in another guise. At some point, however, someone will lose, whether it is a bidding consortium that incurs considerable costs or a trust itself.

I do not accept the Minister's answer to a parliamentary question from me, because his answer indicated a difference of view. As I had understood it, in normal circumstances expenses incurred by trusts in such matters would have been capitalised. He disagreed, and said that expenses would have to be taken into account under revenue. Either way, a trust will lose after having spent a considerable sum. Ultimately, and more importantly, however, those whom the Minister wants to attract to his cause—contractors and others in a consortium—will lose out.

As the Bates report states, the Government's policy is to reimburse people for their bidding costs if, through no fault of their own, a project comes to a conclusion unfavourable to them. We have suggested delaying by one month the Bill's commencement, so that the Minister may reflect carefully on his obligations if he is to stay in line with the stated position of the Paymaster General.

Mr. Simon Hughes: I should like to say a few words on new clause 2, which is grouped with new clause 1. I accept that the arguments in this debate have been run in the other place. Our proposal and our view are very clear, and have not been changed or shaken by the debate in either the other place or this House; rather, they have been confirmed by the Minister's comments.

We are clear in our belief that current PFI arrangements are neither satisfactory nor the best that can be provided for a public-private partnership in the health service. Therefore, we do not want permanently to establish the current system, which has been inherited from the previous Conservative Government and which has been continued unchanged, at least initially, by the new Government. We do not want the system to be perceived as something that will continue indefinitely.

We want to force the pace of change, and there are only two ways in which to do so. Either we should say, "We will change it one day," or—as the House often does with legislation—we should time-limit it and say, "Unless the House decides that it wants to continue legislation, that legislation will no longer continue to exist."

New clause 2 would therefore place a time limit on the Bill. If the Government won the argument and held to their view that PFI was the best form of public-private partnership, they would return to the House in three years, or as soon as they wished to do so, and say that it had to be continued, and that they intended to legislate for an indefinite period. If, however, as we hope, they come back after their review and say that it is not the best system, the legislation will either need to be replaced or repealed, or will be left on the statute book and not used, which is nonsense if we want a statute book with no redundant legislation on it.

The only argument against the notion of a time limit is that used by the Minister in response to my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) in the previous debate—that it would cause uncertainty. That argument was also used by the Minister in another place. Intellectually, I understand that argument, but the Government have to decide what signals they want to send. We are dealing with all stages of the Bill in one day, unlike what happened with the last short NHS Bill introduced by the previous Government, which at least went through all its stages in the correct time, and unlike what happened to this Bill in another place, when there were proper gaps between all the stages.

The Bill was introduced because the Government want to ensure that projects already in the pipeline can be progressed. My colleagues and I happen to think that that

pragmatic view is not sufficiently principled to be justifiable on the basis of dealing with projects in the pipeline.

Even if that were the Government's view for the time being—even if they said they believed that the PFI was the only show in town, or, to use the Minister's words, it was PFI or bust, as in the case of Gravesham and of Norfolk and Norwich—it still would not mean that something else could not happen within three years. To deal with the uncertainty, the Minister has only to say that there will be partnership arrangements which will protect the interests of the private partners, that the Government will ensure that they are consulted on, that they will ensure they get the legislation right first time, and that everything will be done in good time. In that way, the assurance is given.

If the private sector, or the bankers—to use the example cited in the previous debate—are so troubled about whether they have any future in the health service that the prospect of a Government assurance that there will be legislative arrangements within three years is not enough, I do not think that they are very secure partners for the NHS. We want people who are committed to the health service, not just to short-term financial profit. We want people who see themselves as having a long-term obligation to be partners in British health care.

The Bill is to deal with projects in the pipeline. The Minister has helped himself since the debate in another place by giving 14 of them the green light. He knows as well as I do, because it is in the letter that he kindly wrote to us at the beginning of the month, that they are meant to be up and running within 18 months; if they are not, he will ask why.

I am not trying to tie the Minister to the exact day, but, in this final debate on amendments to the Bill, I should like the Minister to tell us when he expects the PFI review to be completed—this calendar year, financial year or legislative year. I am not bothered which it is, because I want it to be done properly, but whichever it is, there will be plenty of time for Parliament to debate what should come after the scrappy PFI scheme introduced by the Tories.

It does not sound convincing when the scheme which the Labour party criticised so roundly and so often is now being endorsed so warmly as the only show in town. Either it was right before, which the Conservatives are entitled to argue, and is right now, or it was suspect then, as we argued, and it is suspect now. There is nothing to suggest that it was right then and suspect now, or the other way around.

We think that the Bill should be time-limited. Three years is sufficient to get the new show on the road. People who make a commitment to the health service and whose present project has been approved under the Bill will be reassured by a subsequent Government assurance that they intend to put a replacement and better system in place—a system that I shall collaborate with them in achieving—well before the three years are up.

Mr. Milburn: Both the new clauses would, in different ways, undermine the PFI in the national health service. They would therefore also wreck the urgently needed hospital building programme.

New clause 1 would prevent the Bill from coming into force before 1 September. That is a slightly odd proposal from the Conservatives, who have previously declared their firm intent to help speed the Bill through. We are committed to sorting out the mess that we have inherited. As part of that process, we want to reach financial close and to see work starting on site as soon as possible. Commercial contracts have been signed for the schemes at Dartford and Norwich. They are just waiting for the Bill to be passed before they proceed to financial close and the diggers start on site.

I remind the right hon. Member for Fylde (Mr. Jack), if he has not realised this already, that, if the Bill cannot come into force before 1 September, bankers—I know that that word is anathema to some Liberal Democrats—will not commit their money until that date. It is that simple. The consequence, right down the line, will be that communities that are waiting for schemes to go ahead will face further delay. We are all sick and tired of delay. We want certainty and clarity, and we want work to begin. For that reason, I invite the right hon. Gentleman to withdraw the motion.

Mr. Jack: The Minister talks about the need to speed up progress on the Norfolk and Norwich project. How will the project achieve what he wants without the one-fiftieth scale architectural drawings required to know what to build where?

Mr. Milburn: The scheme is at commercial close, and is waiting to see how the Bill progresses. There are issues to be sorted out, but I am confident that rapid progress will be made. The last thing the project needs is a further timetabling obstacle. The people of Norfolk and Norwich need a new hospital in the city, and they should get it.

If the right hon. Gentleman wants more information about abortive costs than I can briefly give him now, I shall gladly write to him. He will know that NHS policy has always been that bidding costs are at risk until a scheme is given full business case approval by the NHS executive and the Treasury.

That is reasonable, because otherwise the Government could end up refunding costs incurred by the private sector in developing a mediocre scheme. Why should the taxpayer subsidise poor schemes? The hon. Member for Orpington (Mr. Horam) urged me to take robust action. I am doing that. Robust action does not involve bailing out poor schemes. The Bates report recommends certain actions on abortive costs, but the proposals will not be applied retrospectively. They will apply to any scheme approved after 23 June, when the conclusions of the report were issued.

The aim of new clause 2 is that the Bill should cease to have effect after three years. That is another pretty unusual proposal, which does not improve the legislation.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) asked a simple question: how long will our review of the PFI take? I give him a simple answer: it will be finished by the end of this calendar year. The last thing I want is yet a further obstacle placed in the way of establishing confidence in the existing PFI process. For that reason—to avoid doubt and to guarantee what he referred to as the long-term involvement of a number of stakeholders in the PFI—I ask the hon. Member not to press his new clause.

Mr. Jack: We have heard the Minister come almost full circle. I do not want to delay unnecessarily the implementation of the PFI in the health service.

[Mr. Jack]

If the Minister and his officials cared to examine the record of the Treasury during my time there, they would discover that we did a great deal to try to make progress in what would, inevitably, always be an immensely complicated area. We took a lot of steps which I will not go into now to try to make that progress.

Had we not made some progress by establishing good foundations, the Minister would not have 14 projects on which he can now negotiate. If it had not been for us sticking to our guns on the PFI, there would be no such thing for him to benefit from. Bearing in mind the flak to which we were subjected from the then Opposition, who used to tell us that the PFI meant privatisation by the back door, criticism of our inadequacies comes rich from the Minister now.

I have looked at the Bates report, and after the conclusion of our proceedings I should be grateful if the Minister told me where it mentions the starting date to which he referred. We proposed a delay to allow the Minister to consider what appears to stated Government policy. He is now at odds with his colleague the Paymaster General, who said in his press release that the Government accepted all the Bates report.

I do not see anything in the press release from the Treasury to say that the terms of that acceptance apply only to projects agreed after the introduction of the report. I accept that the terms governing the procurement process state that the reimbursement of the bidding costs remains a matter for individual Departments. Bates has moved on from that, however, and has stated clearly that, when a decision not to proceed with a project is made and that decision is not related to viability, the bidding costs should be refunded.

The Minister's announcement was made after Bates had reported. Some people in the world of construction, project finance and so on will be extremely upset and disappointed by the Minister's narrow interpretation of that report.

At least this brief debate has teased out the fact that the Minister will disappoint people. His remarks are on the record, and I have no doubt that the contractors will want to take them up with him. As we do not wish to delay the PFI as it makes its undoubted progress, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Bill reported, without amendment.

Order for Third Reading read.

Motion made, and Question proposed, That the Bill be now read the Third time.—*[Mr. Milburn.]*

12.47 am

Mr. Simon Hughes: The House has spent six hours dealing with all stages of the Bill. It is a hugely important one for the health service, and in the past six hours we have exposed the differences on it which exist across the House.

The Liberal Democrats believe that, if the Government had started the day with significantly more funds for public provision for the health service to build, the Bill would not be so crucial. A better funded health service is a better and more central remedy than the Bill.

As my hon. Friend the Member for Isle of Wight (Dr. Brand) said cogently, it is nonsense for the health service to plan for itself spontaneously from the bottom up only when a local idea comes to bloom, or to make every proposal subject to the approval of the Secretary of State or the Minister.

The hon. Member for Norwich, South (Mr. Clarke) asked that the Minister should approve the number of beds in the new Norfolk and Norwich hospital, as well as the approach roads to it. It is nonsense for the health service to make such decisions. Of course Ministers should be accountable, but proposals should be planned and scrutinised at a regional level. It is at that regional democratic level that the public should be involved, to ensure that we have an adequately resourced and adequately planned health service.

Thirdly, I think that we have clearly made the point that we believe that a better way for private finance to be involved in the health service is not through the one-off, ad hoc, area-by-area local deals, but through establishing a secure, national system whereby those on the private sector who want to invest in the health service can do so. That should save all the duplication, which I agree we want to avoid—there would be one process for distributing the resources and sharing out the capital. There would be one source, with one kitty and, ideally, one pool of money. We clearly take a different view from the Government on that.

Despite those reservations, and for obvious reasons, we will not vote against Third Reading, just as we did not vote against Second Reading. We tabled our reasoned amendment, but it was not selected; we accept that that is the way that the House organises its business. The Minister knows that there are things in the pipeline that have been frustrated enough. Whatever our view might be about the individual schemes in Norwich, Gravesham or Dartford, it is not our job to frustrate people—including some of my colleagues in Newbury, Hereford and elsewhere—who have already been waiting long enough for schemes that are approved under the system.

We have not blocked the Bill, but we have severe doubts about the system of financing. We believe that we will be proved right, but, in the meantime, we will collaborate with the Minister and the Government to try to ensure that we get a better system than the one that they took off the shelf in Richmond house when they inherited the system from the Tories. They can do better than that, and Britain can do better than that.

12.51 am

Dr. Harris: There are a couple of points on which I should like to seek reassurance from the Minister. I am sorry that I was unable to catch his attention and intervene during the debate on Second Reading.

The first point involves the report from the Institute of Health Services Management, which stresses the need for purchasers to be actively involved in the genesis, not just the checking, of PFI schemes. It states:

"the purchasing side of the NHS must get a grip on the process. Leaving the initiative with provider trusts, and with their consortium partners, risks locking the service into models of health care that may quickly be out-dated. 'The starting point has to be a clear view about the kinds of health care facilities needed in the future.'"

I seek the Minister's reassurance about how the purchasers within the health service are to be locked into that process from the beginning, not just forced to accept whatever provider trusts and their consortiums bring forward.

I also seek the Minister's reassurance, either now or at a later date, about the preservation of some of the important aspects within the health service, such as education, which may be peripheral to the concerns of bidders in the PFI process. What means will there be to ensure that those running hospital services are able to respond to new Government initiatives relating to the appropriate treatment of hospital staff after hours? I have referred to catering facilities after hours for those unfortunate members of the health professions who have to work out of hours in difficult circumstances.

I stress that, for many hospitals in my region, particularly those that are not able to use the PFI, the delay has arisen from initially having to engage in the PFI process. If it was clear what made a scheme fit for the PFI, and if public funding were available for necessary schemes that were not appropriate to the PFI, we could ensure that urgently needed schemes that were not suitable for the PFI were not subject to the delays that we have seen in the past few years.

Question put and agreed to.

Bill read the Third time, and passed, without amendment.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the motions relating to delegated legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Legal Aid and Advice

That the draft Legal Advice and Assistance (Scope) (Amendment) (No. 2) Regulations 1997, which were laid before this House on 19th June, be approved.

European Communities

That the draft European Communities (Definition of Treaties) (Framework Co-operation Agreement between the European Community and its Member States and the Republic of Chile) Order 1997, which was laid before this House on 23rd June, be approved.

That the draft European Communities (Definition of Treaties) (Euro-Mediterranean Agreement Establishing an Association between the European Communities and their Member States and the Kingdom of Morocco) Order 1997, which was laid before this House on 23rd June, be approved.

That the draft European Communities (Definition of Treaties) (Inter-regional Framework Co-operation Agreement between the European Community and its Member States and the Southern Common Market and its Party States) Order 1997, which was laid before this House on 23rd June, be approved.

Industrial Organisation and Development

That the draft Scottish Seed Potato Development Council (Dissolution) Order 1997, which was laid before this House on 24th June, be approved.—*[Mr. Betts.]*

Question agreed to.

AGRICULTURE

Ordered,

That Mr. Tim Collins, Mr. Andrew George, Mr. John Hayes, Mr. Alan Hurst, Ms Fiona Jones, Ms Sally Keeble, Mr. Peter Luff, Mr. Paul Marsden, Mr. Austin Mitchell, Mrs. Diana Organ and Mr. Mark Todd be members of the Agriculture Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

DEFENCE

Ordered,

That Mr. Crispin Blunt, Mr. Julian Brazier, Mr. Menzies Campbell, Mr. Jamie Cann, Mr. Harry Cohen, Mr. Michael Colvin, Mr. Bruce George, Mr. Jimmy Hood, Mr. John McWilliam, Laura Moffatt and Ms Dari Taylor be members of the Defence Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

EDUCATION AND EMPLOYMENT

Ordered,

That Ms Candy Atherton, Charlotte Atkins, Mr. Joe Benton, Mr. Graham Brady, Yvette Cooper, Mr. Cynog Dafis, Valerie Davey, Caroline Flint, Mr. Derek Foster, Mr. Don Foster, Mr. John Healey, Ms Margaret Hodge, Mrs. Eleanor Laing, Judy Mallaber, Mrs. Theresa May, Mr. Nick St. Aubyn and Mr. Gerry Steinberg be members of the Education and Employment Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

ENVIRONMENT, TRANSPORT AND REGIONAL AFFAIRS

Ordered,

That Mr. Andrew F. Bennett, Mr. Tom Brake, Christine Butler, Mr. John Cummings, Mr. Stephen Day, Mr. Brian H. Donohoe, Mrs. Gwyneth Dunwoody, Mrs. Louise Ellman, Mr. Howard Flight, Mr. Clifford Forsythe, Mr. James Gray, Mr. Bill O'Brien, Mr. Bill Olner, Mr. Eric Pickles, Mr. George Stevenson, Mr. Graham Stringer and Dr. Alan Whitehead be members of the Environment, Transport and Regional Affairs Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

HEALTH

Ordered,

That Mr. John Austin, Dr. Peter Brand, Mr. Peter Brooke, Julia Drown, Mr. John Gunnell, Mr. David Hinchliffe, Ann Keen, Mr. Andrew Lansley, Dr. Howard Stoate, Mr. Robert Syms and Audrey Wise be members of the Health Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

INTERNATIONAL DEVELOPMENT

Ordered,

That Mr. Dennis Canavan, Ann Clwyd, Ms Barbara Follett, Mr. Bernie Grant, Mr. Piara S. Khabra, Ms Oona King, Mrs. Tess Kingham, Mr. Andrew Robathan, Mr. Andrew Rowe, Dr. Jenny Tonge and Mr. Bowen Wells be members of the International Development Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

NATIONAL HERITAGE

Ordered,

That Mr. Michael Fabricant, Mr. Ronnie Fearn, Mr. Christopher Fraser, Mrs. Llin Golding, Mr. Damian Green, Mr. Gerald Kaufman, Mr. Alan Keen, Mr. John Maxton, Mr. Roger Stott, Ms Claire Ward and Derek Wyatt be members of the National Heritage Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

SCIENCE AND TECHNOLOGY

Ordered,

That Mr. David Atkinson, Mr. Nigel Beard, Dr. Michael Clark, Mrs. Claire Curtis-Thomas, Dr. Ian Gibson, Lynne Jones, Mr. Nigel Jones, Dr. Ashok Kumar, Mrs. Caroline Spelman, Mr. Desmond Turner and Mr. Alan W. Williams be members of the Science and Technology Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

SCOTTISH AFFAIRS

Ordered,

That Mrs. Irene Adams, Mr. Peter Atkinson, Miss Anne Begg, Mr. Eric Clarke, Mr. John McAllion, Rosemary McKenna, Mr. David Marshall, Mr. Michael Moore, Mr. David Stewart, Mr. Desmond Swayne and Mr. Andrew Welsh be members of the Scottish Affairs Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

SOCIAL SECURITY

Ordered,

That Ms Karen Buck, Mr. Nick Gibb, Ms Patricia Hewitt, Miss Julie Kirkbride, Mr. Archy Kirkwood, Mr. Edward Leigh, Siobhain McDonagh, Mr. Chris Pond, Mr. Frank Roy, Ms Gisela Stuart and Mr. Malcolm Wicks be members of the Social Security Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

TRADE AND INDUSTRY

Ordered,

That Mr. Tony Baldry, Mr. Roger Berry, Mr. John Butterfill, Mr. Jim Cunningham, Mr. Alan Johnson, Mr. Bob Laxton, Gillian Merron, Mr. Alasdair Morgan, Mr. Martin O'Neill, Mr. David Prior and Joan Walley be members of the Trade and Industry Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

WELSH AFFAIRS

Ordered,

That Mr. John Bercow, Mr. Martin Caton, Paul Flynn, Mr. Ieuan Wyn Jones, Mr. Martyn Jones, Ms Jackie Lawrence, Mr. Richard Livsey, Ms Julie Morgan, Mr. Owen Paterson, Mr. Gareth Thomas and Mrs. Betty Williams be members of the Welsh Affairs Committee.—*[Mr. John McWilliam, on behalf of the Committee of Selection.]*

Housing Benefit

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

12.54 am

Mrs. Jackie Ballard (Taunton): I am grateful for the chance, even at this late hour—or perhaps early hour—to draw the attention of the House and the Minister to some of the issues relating to housing benefit that concern me and other hon. Members. The subject of the debate is technical and may not sound exciting enough to keep many hon. Members in the Chamber this morning, but behind the academic arguments, statistics and fiscal calculations are the human problems of homelessness and poverty, which I know are of concern to most, if not all, hon. Members—although I notice that no Conservative Members share that concern.

As many hon. Members will know, housing benefit is paid to people who pay rent and are on low incomes, whether they are in work, unemployed or retired. It is paid by local authorities, but the rules and regulations are determined nationally. There are two main issues that I should like to raise: first, the single room rent rule for tenants in the private sector; and, secondly, the level of housing subsidy repaid to local authorities.

The single room rent rule was introduced by the previous Government in October 1996. It means that young people aged under 25 no longer receive a level of housing benefit that enables them to afford suitable accommodation. Instead, housing benefit is limited for them to the average cost of shared accommodation in the area. That usually means living in houses of multiple occupation, or HMOs, and having to share facilities such as kitchens or bathrooms with other tenants. That change has had a terrible effect on the young: homelessness has increased, while those who are not homeless face increasing poverty as they try to eke out their benefit or low wages to pay the extra rent.

The emphasis on HMOs as the preferred option for young people is, quite frankly, daft and possibly dangerous. In a 1991 Joseph Rowntree Foundation survey, 40 per cent. of HMOs were found to be unfit for human habitation. The survey also revealed that residents in HMOs were 28 times more likely to die in a fire than those in self-contained accommodation. In addition, HMOs do not yet have to be registered. Yet that is the form of accommodation promoted by the housing benefit rules for young people. It is also true that many parts of the country do not have an adequate supply of that type of dwelling. How are young people supposed to live in HMOs if there is none? The previous Government would have said, "The market will respond," but the private housing market is a slow beast and responding to such changes in demand would take many years.

The effects of the single room rent regulation in my own constituency have reflected national trends. Two recent reports by the south-western citizens advice bureaux and the Somerset Social Policy Group have highlighted the effects. The average cost of shared housing in Somerset is estimated to be £5 to £15 higher per week than the local single room rent assessment; and the cost of self-contained one-bed accommodation is £35 to £45 a week higher. One survey found that, in my constituency, three out of four landlords imposed further charges in addition to rent—as much as £100 in some cases, for administration.

Young tenants therefore have four choices if they cannot find a well-paid job. They can find new lodgings; pay for their rent out of their income or benefit; build up arrears and face expulsion; or try to negotiate a lower rent. Let me deal with each of those options in turn. The chances of finding new lodgings while on benefit are very slim. Landlords are distinctly reluctant to take on new tenants who are on housing benefit and those who do take on such tenants often provide the worst sort of accommodation. The option of paying the extra rent out of income can lead to tenants living at below subsistence level. After paying the rent, one client of the south-west citizens advice bureaux had only £8.86 left a week to pay for food and other items. Obviously, building up arrears is not a long-term option. Finally, bargaining with one's landlord to lower the rent proves unsuccessful in the vast majority of cases.

The effect has been to push young people out of reasonable accommodation into homelessness or unsuitable and substandard dwellings. Some might argue—indeed, many members of the previous Conservative Government did argue—that they should live with their parents, but in an age of increasing family breakdown, that is wishful thinking. It does not take into account the location of any parental home or serious family disputes or even abuse. It also does not take into account the natural desire of many people over 18 to leave home and live independently—sometimes the only way to ensure a continuing happy relationship with parents.

The consequences have been economic as well as personal. As the right hon. Member for Islington, South and Finsbury (Mr. Smith) predicted in a debate in the House in February 1996, the change acted as a disincentive to taking up work, for fear that any job might not last, so housing benefit would be lower once the person reclaimed. At the time, that change in the regulations was opposed by the Liberal Democrats and Labour.

I welcome the fact that the Government have acted swiftly to halt the extension of the rule to those aged 25 to 60. I also welcome the announcement by the Secretary of State of a review of housing policy and housing benefit. However, the new Government have taken no action to help young people on housing benefit—and remember, this is not only people who are out of work and might benefit from the welfare-to-work scheme, but people in low-paid jobs. They will continue to suffer under the proposals introduced by the previous Government.

I shall now discuss subsidy on local authority rent accounts. As hon. Members must know, the housing subsidy paid to local authorities consists of several elements, including rent rebates. During the past few years, the calculation has resulted in a subsidy payment to local councils that is significantly less than the rent rebates or housing benefit that they pay out. As local authorities are providers of social housing, inevitably a high proportion of their tenants will be either in low-paid jobs or out of work and therefore claiming housing benefit.

As the housing benefit bill increased in the late 1980s and early 1990s, the Conservative Government searched for ways to keep it down. One way is to make council tenants who are not on benefits effectively subsidise those who are, by withdrawing rent account subsidy. In 1996, the Government introduced a limit to local authority rent increases, with increasingly heavy penalties for any rent increases in excess of the guideline figure. For my local authority of Taunton Deane, the guideline increase in 1996-97 was 67p per week, or 1.82 per cent. If the council had imposed a rent increase greater than the guideline, tenants not on rebate would have had to pay a progressively greater amount to offset the loss of subsidy. As hon. Members will be well aware, 1.82 per cent. is well below the rate of inflation now, and indeed that projected for the autumn.

The cost of housing benefit for local authority tenants in Taunton Deane this year is £7.3 million, of which the Government will repay only £3.1 million—less than 50 per cent. rebate, whereas housing associations are repaid 95 per cent.

It is estimated that, between 1990 and 1997, £6 billion will have been siphoned off from rent payments in local authorities to meet benefit bills. Figures from the Local Government Association's housing finance survey in England for this year show that local authorities will contribute more than £1.2 billion to the cost of rent rebates. Even allowing for the positive subsidy paid to 27 authorities, the Government are making a profit of £640 million from council house tenants this year alone.

To try to keep the national housing benefit bill down, local council tenants have for years been subsidising other tenants, both in taxation, as we all are, and in their rent. Now councils cannot afford to maintain their housing stock because they are not allowed to levy rent increases above inflation. Tenants rightly believe that their rent payments should be for landlord services, not for welfare payments to other tenants. If that £6 billion had been spent on repairing and maintaining council houses, how much better maintained would local authority stock be now? Fewer councils might then feel the need to sell off their stock to housing associations.

I contrast the treatment of local authorities and housing associations. The latter are repaid 95 per cent. of their housing benefit bill and are allowed to increase their rents above the inflation rate. That punitive regime was in place under a Government who were clearly hostile to local authority housing. The Labour Government profess not to be. In the debate on the Local Government Finance (Supplementary Credit Approvals) Bill, the Minister for London and Construction told me:

> "After 18 years when local authorities have been denigrated and run down by the Conservatives, I can assure her that the Government will support them and see them having a strong and positive role in this area."—[*Official Report*, 17 June 1997; Vol. 296, c. 209.]

Finally, I wish briefly to discuss the Budget and associated changes in benefit. The most significant change is to non-dependant deductions, to be introduced next April. Non-dependant deductions create work disincentives, cause friction within families, and can result in rent arrears and even homelessness. Between 1993 and 1996, the top rate of non-dependant deductions increased from £21 to £32—a rise of 52 per cent. There have also been serious problems in the administration of non-dependant deductions. The claimant must find out the income of the non-dependant, who receives no notification of the implementation of the deduction from the claimant's housing benefit.

The most worrying part of the Budget was the announcement of a change to the period of backdating permitted from October 1998. It had been one year;

[Mrs. Jackie Ballard]

the Tories reduced it to three months; and we now hear that it is to be only one month. Moreover, that is in the context of severe problems in local government finances.

Because of the 18 to 25 single room rent rule, homelessness among young people has increased throughout the country. Because of the withdrawal of subsidy paid to councils and controls on their rents, poor tenants subsidise even poorer tenants and councils cannot afford properly to maintain their housing stock. A Government who say that they are committed to the relief of poverty and to social justice cannot allow that to continue. I await with interest the Minister's response to the issues that I have raised.

1.6 am

The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley): I listened carefully to what the hon. Member for Taunton (Mrs. Ballard) said, and I congratulate her on obtaining this wide-ranging debate. In the brief time available, I will try to cover the points that she raised, but she will appreciate that some of them are not the direct responsibility of the Department of Social Security. Those matters which would have been more appropriate for the Department of the Environment, Transport and the Regions will be looked into and we shall write to the hon. Lady on those in due course.

I am pleased to be able to make clear to the House two preliminary points. First, single room rents for the under-25s have been in place since October 1996. That was part of our inheritance from the previous Administration. We are now beginning to gather information about the effects of those arrangements on young people. Secondly, the other part of our inheritance on single room rents was the provision which extended them still further, to single people aged 25 to 59, which was due to come into effect from October this year. As the hon. Lady acknowledged, we have already acted decisively to ensure that that will not happen.

Dr. Peter Brand (Isle of Wight): Will the Minister, as a matter of urgency, take on board the need to look at the effects of the single room rent for people who need supportive lodgings, especially people with learning difficulties who live in the community and people recovering from mental illness? They may not be formally in the care of social services departments and may not receive 24 hours per day care, but they need support, which is extremely difficult to provide at the low rates currently applicable to the under-25s.

Mr. Bradley: I am grateful to the hon. Gentleman for his intervention. I was about to deal with that point. Time is extremely short and, with permission, I hope that I can get on and make some points in the time available. I will expand on them if necessary by writing to hon. Members.

I re-emphasise the fact that we shall always listen to what other hon. Members have to say about these crucial matters. We want to work with outside organisations that have an interest in social security matters, and we are keen to utilise their valuable expertise. That is the approach that I took in opposition, and I have no intention of changing it in government.

The best thing that we can do for young unemployed people is help them back to work. That is why we are introducing the new deal that will provide work, education and other opportunities to young people aged 18 to 24 who have been unemployed for more than six months. We have set out clearly the choices that will be available to them.

As I stated at the outset, we inherited a package of social security measures from the last Government, with the attendant expenditure implications, and we had to make hard choices—including the changes that we have made to non-dependant deductions.

Last October, the previous Government introduced single room rents for under-25s in order to restrict the amount of housing benefit paid to young people living in the private rented sector, and so control the cost to the taxpayer. The last Government justified that move by saying that housing benefit should not pay for accommodation that is more expensive than that which people would expect to occupy if they had to meet the rent from their own resources.

The report to which the hon. Member for Taunton referred entitled "Housing Benefit—The Unkindest Cut", which was produced by citizens advice bureaux in the western region, is of real interest to us. It will be valuable in building a national picture, which we need in order to understand the real effects. Only then will we be in a position to take prudent and fully considered decisions.

I am well aware of the concerns that were expressed at the time of introduction and, in order to address them, we are collecting information from a sample of local authorities about the number of young people affected and the level of housing benefit restriction. Analysis of that information has begun, but we need to know more. Meanwhile, we have already decided to exempt severely disabled people under age 25, and single young people with non-dependants residing with them, from the application of the single room rent. That change will be effective from October 1997.

I reminded the House earlier that we acted swiftly and decisively shortly after taking office when we decided to revoke regulations laid just before the election by the previous Administration. Those regulations would have extended the application of single room rents beyond the under-25s to most single people aged 25 to 59. In taking that decision, we considered carefully the view of the Social Security Advisory Committee—that the Government should not extend the existing single room rent rules for the under-25s without thoroughly reviewing their effects. We also took careful account of the views of hon. Members and local authority associations—in other words, we listened to them and acted accordingly.

Single room rents for the under-25s reflect the market rent for non-self-contained accommodation, without board, in the locality in which claimants live. Single room rents are determined by the independent rent officer service. Some people aged under 25 are already exempt from single room rents. They include local authority tenants, tenants of registered social landlords, and tenants in accommodation provided by county councils, housing associations, registered charities and voluntary organisations which provide care, support or supervision. Young people coming out of local authority care are also exempt until they reach the age of 22.

We have instituted a series of visits to local authorities, advice agencies and rent officers so that we can obtain direct information both about the impact of these changes

on young individuals and about whether there are significant problems obtaining accommodation at rents at or below single room rents.

We have commissioned a survey to obtain information on housing benefit and the private rented sector. The results are expected next summer. We are also looking critically at our monitoring arrangements to see whether other steps can be taken to ensure that the measures introduced for the under-25s are properly monitored and their effects properly translated into any policy changes that may be appropriate.

I can tell the House that we have already received representations from a number of organisations about this measure, and there is some evidence of hard cases, as the hon. Lady identified, particularly where young people leave board and lodging and supported accommodation.

Supported accommodation and how it should be funded is the subject of a separate interdepartmental review, and we hope to introduce proposals on that in the near future.

It has to be said, however, that the evidence of hard cases is mixed and is of differing quality around the country. That is one very good reason why we want to make a better assessment of the overall position before we make any policy changes. As I said earlier, we shall continue to listen to organisations such as the National Association of Citizens Advice Bureaux, which are starting to provide the information, as evidenced by the report in the south-west. Similar reports have come from other parts of the country, and one has recently been produced in my own area, the north-west.

Meanwhile, it is worth reminding the House that there is provision for local authorities to give extra help. Local authorities have a discretionary power to provide additional help to people in the private rented sector whose rents exceed the general level of rents for similar property in their area—the local reference rent, on which the level of housing benefit is based. That discretionary power was extended to cover people affected by the introduction of the single room rent for people under 25.

Briefly, local authorities have discretion to increase housing benefit up to the level of the contractual rent—less, of course, any charges which are not eligible for housing benefit—where they decide that exceptional hardship would otherwise result. The term "exceptional hardship" is not defined in regulations. It is a matter to be determined in each individual case by the local authority, which is well placed to decide on the merits of each case.

The discretionary power replaced the earlier provision of additional help to prescribed groups—pensioners, families and disabled people. Additional help used to be available to anyone in those groups, irrespective of individual circumstances. The discretionary scheme, on the other hand, was designed to be more focused on individual circumstances.

Local authorities do not have unlimited discretion in this area: the extent to which they can exercise discretion is subject to an annual limit. The total for 1997-98 is about £47 million. Central Government's contribution to that is £18.25 million. We are looking at how the scheme is working, as part of our exercise to gather evidence on the impact of the rules for the under-25s. We will give all the results and information that hon. Members wish to give to our considerations full weight as the policy is properly analysed.

Single room rents for single people under 25 are only one of a whole range of social security provisions that we inherited on coming to office.

On the matter raised by the hon. Lady about rent rebates, local authority tenants come under the housing revenue account, which is set by the Department of the Environment, Transport and the Regions, as it is now called. Guideline rents were set to ensure that rents were kept in check. As I said, this matter is determined by that Department and her comments on it are best referred for further consideration, through the debate, to that Department.

Housing association rents have the 95 per cent. subsidy, but the Department of the Environment, Transport and the Regions is about to consult on rent increases for housing authority tenants. Matters which need further consideration have been raised tonight and we shall look at them.

We have already made some important changes, which the hon. Lady has acknowledged, but the task that lies ahead in terms of an overall review of housing benefit in the context of housing policy is a huge one after 18 years of the previous Administration. We shall work with other Government Departments to develop our housing policies. We want to ensure that with those developments we do not continue to trap people in benefit. We want to generate, as much as possible, a hand up and not a hand out, which will generate personal responsibility.

We recognise that the consequences of many of the changes that we have inherited have forced people into difficult situations. The single room rent, which has been the focus of the debate, is clearly one of them. We recognise that the hard choices that we have to make on non-dependant deductions are not without pain themselves. Given the commitment that we gave in our manifesto to remain within spending limits within Departments, hard choices had to be made. At the same time, we want to monitor the impact of the changes that we shall be making to ascertain what the effect on families will be and to ensure that there are not continuing disincentives between those on benefit who are trying to get into work and those on low incomes who want to stay in work.

As the hon. Lady is well aware, single room rent applies only on new tenancies or renewals. A person on low income in a property will not be affected unless he or she has to make a fresh claim for housing benefit.

The hon. Lady made some excellent points, which we have noted. Our overall objective, however, is to modernise the social security system, and in the process to tackle poverty and welfare dependency while promoting work incentives. We want to develop a system which supports work, savings and honesty. Within that approach, we want to be vigilant in tackling fraud and ensuring value for taxpayers' money. As the House knows, we are committed to a complete review of the social security system, and housing benefit will clearly form a crucial part of that.

The hon. Lady will be well aware that the housing budget has escalated to about £3 billion-worth of expenditure as a result of policies that we inherited from the previous Administration. Tackling that bill and introducing a phased release of capital receipts so that we can start to rebuild and repair housing, while introducing

[Mr. Bradley]

new rented accommodation at a price that people can afford, are Government priorities. We shall set about the task in the fundamental reviews to which I have referred.

That is not to say that the issues that the hon. Lady has raised are not of fundamental importance. We must recognise the damage that has been done to communities by the previous Government's policies. We intend to tackle the issues as vigorously as we can to ensure that we have a decent society for everyone along with an affordable house.

I thank the hon. Lady for initiating the debate. I will ensure that she receives a reply in due course on those matters to which I have not been able to respond tonight.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes past One o'clock.

House of Commons

Tuesday 15 July 1997

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

KING'S COLLEGE LONDON BILL *[Lords] (By Order)*
Order for Third Reading read.
To be read the Third time on Tuesday 22 July.

LEVER PARK BILL *(By Order)*
Order for Second Reading read.
To be read a Second time on Tuesday 22 July.

Oral Answers to Questions

SCOTLAND

Local Authority Pay Settlements

1. **Mr. Keith Simpson:** To ask the Secretary of State for Scotland what plans he has to meet local authority representatives to discuss the effects of pay settlements in local authorities in Scotland. [6690]

The Parliamentary Under-Secretary of State for Scotland (Mr. Malcolm Chisholm): My right hon. Friend met local authority representatives on Friday 4 July, but pay was not on the agenda. The local authorities know that any increase agreed must be funded from their existing resources.

Mr. Simpson: Will the Minister share his views on how a £4 an hour minimum wage would be funded if the Scottish local authorities and the trade unions agreed to pay such a wage?

Mr. Chisholm: Pay awards are matters for local authorities within their allocated resources. Clearly, the substantial increase announced by my right hon. Friend the Chancellor in the Budget—£89 million for education—will help local authorities considerably next year. Adherence to the best value regime, which we are promoting as a key plank of our policy, will help local authorities greatly.

Mr. Gorrie: Can the Minister assure us that, within the budgetary constraints imposed on councils this year and next year, councils will be able to fulfil their statutory requirements?

Mr. Chisholm: Councils will be able to fulfil their statutory requirements and, because of the Budget, will have extra resources for education. We stand by our election pledge to make education our number one priority.

Mr. Welsh: As local government is one of Scotland's biggest employers, surely Labour's continuing of the Tory policy of self-financing pay awards must lead to service cuts or higher unemployment. How many jobs will be lost or services cut as a result of this policy?

Mr. Chisholm: We said at the election that we would abide by the public expenditure guidelines that we inherited, for years one and two. We have found substantial additional resources for education, and we are expecting efficiency savings in local government from the best value agenda.

Dr. Fox: Is not the truth that the £4 deal is about Labour councillors buying off the trade unions in case they have to turn to them for support when it comes to running a Scottish Parliament, should one ever be established? Does not this mean that the ambition of Labour's second-raters will be paid for with the jobs and services of the ordinary people of Scotland?

Mr. Chisholm: The simple answer to that is no. The agreement is between local authorities and the trade unions and has nothing to do with the Labour Government. Labour and other authorities know full well that any pay award must be funded from within existing resources.

Scottish Parliament

2. **Mr. Graham:** To ask the Secretary of State for Scotland what steps his Department will take to co-operate with local authorities in preparations for a Scottish Parliament. [6691]

The Minister for Home Affairs and Devolution, Scottish Office (Mr. Henry McLeish): The Government are committed both to strong local government and to the establishment of a Scottish Parliament. We are committed to establishing an independent review to consider the relationship between local government and the Scottish Parliament, and we shall be consulting on its terms of reference after we publish the White Paper on our proposals for a Scottish Parliament.

Mr. Graham: Does my hon. Friend remember the absolute fiasco that local government was landed in by the Tory Government, and the fact that a lack of consultation and finance led to a disastrous position? I am absolutely convinced that the measure that the Minister has announced will strike up an accord between local authorities and the Scottish Office to ensure that we have one of the most famous Parliaments ever, set up in Scotland. I look forward to seeing close co-operation between the Scottish Office and local authorities.

Mr. McLeish: Let me assure my hon. Friend that we intend to ensure that co-operation and partnership strengthen democracy in Scotland. Our intention is to strengthen instead of weaken local government. We want to see powers moved from Westminster to Edinburgh, not from the Western Isles, Glasgow and Fife to Edinburgh. We make a firm commitment on that basis. In view of the spirit that the Convention of Scottish Local Authorities has shown, we believe that we can march forward together and ensure better-quality services and a fundamental strengthening of democracy.

Mr. Hogg: When the hon. Gentleman consults local authorities in Scotland, will he please make the point that

devolution proposals will not prove durable unless they are fair to England? Will he go on to make the point that the present proposals are not fair to England and will not be fair to England unless, for example, they are set in the context of a federal scheme for the entirety of the United Kingdom or, as another approach, they provide for a reduction in the number of Scottish Members of Parliament in this House, a reduction in their capacity to intervene in the affairs of other parts of the United Kingdom, and a further reduction in per capita spending in Scotland? Will he suggest to the local authorities that, if the Scottish people were faced with those realities, they might vote against devolution?

Mr. McLeish: Far be it from me to try to curb the enthusiasm of the right hon. and learned Gentleman. What he has just said to the House convinces us that, when he sees the White Paper, he will be able to acknowledge and discuss some of the important issues facing Scotland. We want a fair settlement. Enormous discussions have taken place, but at the end of the day the White Paper will be published and that will be the time for the nation and the House to debate those matters.

Mr. Canavan: May we have an assurance that the contents of the White Paper on the powers of the Scottish Parliament will be influenced more by our men of mettle in the Scottish Office than by our man of Straw in the Home Office?

Mr. McLeish: It is widely known that we in the Scottish Office are, indeed, men of mettle. I assure my hon. Friend that we shall produce a substantial and detailed White Paper which will ensure a fair debate. Scots will soon have the chance to vote in a referendum on their future. The House has taken some decisions already. It will soon have a White Paper to debate. Then we shall move on speedily to the referendum. After we have had an endorsement through a substantial yes, yes vote, we shall come back to the House and introduce a substantive Scotland Bill.

Fishing Industry

3. **Mr. Cash:** To ask the Secretary of State for Scotland when he will next attend an EC Fisheries Council to discuss the Scottish fishing industry. [6692]

Mr. Chisholm: My noble Friend, the Minister responsible for agriculture, the environment and fisheries at the Scottish Office will normally attend Fisheries Councils. The next Council is planned for 30 October.

Mr. Cash: Does the Minister accept that the quota hopping agreement reached at the intergovernmental conference has been received with disgust by Scottish fishermen? How many representations has he received in favour of the agreement? Does he accept that the arrangements for a Scottish Parliament—if they ever come about—will mean that the Minister responsible for Scottish fisheries will be able to achieve even less than this wretched Government did in respect of Scottish fisheries at the IGC?

Mr. Chisholm: The hon. Gentleman is wrong on all counts. The agreement at Amsterdam was highly significant. For the first time, we have a written statement from the Commission, which is guardian of the treaties. It sets out in precise terms the measures that can be taken to establish economic links between vessels and local communities. The new Government established more and achieved more in eight weeks than the hon. Gentleman and his friends achieved in 18 years.

Mr. Godman: May I remind my hon. Friend—if, coming from the old herring port of Leith, he needs such a reminder—that it was a Conservative Government who inflicted the common fisheries policy on our fishing communities throughout the United Kingdom and agreed over-generous concessions to the new member states of Spain and Portugal? The hon. Member for Stone (Mr. Cash) ignores those facts. Will my hon. Friend assure me that he will continue to argue for a severe restriction in industrial fishing, particularly of sand eels at the Wee Bankie and the Buckie Man's Bank?

Mr. Chisholm: I agree that there must be tighter controls of industrial fishing. The Government support the common fisheries policy but, equally, we believe that it must be reformed, and we will pursue that vigorously from within.

Mr. Menzies Campbell: When the Fisheries Minister next visits Brussels, will the Under-Secretary ensure that he has in mind the importance to the Scottish fishing industry of its village-based component, not least in the East Neuk of Fife in my constituency? Will the Fisheries Minister seek to ensure that the common fisheries policy takes account of the problems of the village-based industry, especially as it is suffering from an aging fleet and declining work force? What assurance can the Government give that it remains an important part of the fishing industry in Scotland?

Mr. Chisholm: I shall certainly convey the concerns of the hon. and learned Gentleman to my noble Friend the Fisheries Minister. We have a wide agenda for reform of the CFP, including a greater regional dimension for it. I shall also convey the hon. and learned Member's concerns about Fife.

Mr. Doran: My hon. Friend will be aware that there is a serious problem of black fish in the North sea. Scottish Office inspectors have recently clamped down on the markets in Scotland, but there seems to be no evidence of that happening in English markets, particularly in Grimsby. Will my hon. Friend communicate with his colleagues in the Ministry of Agriculture, Fisheries and Food to ensure that enforcement of all aspects of our fisheries policy is as intense as it is in Scotland?

Mr. Chisholm: I know that my noble Friend the Fisheries Minister has been very concerned about black fish since he took over at the beginning of May. He has promoted his concern in speeches in Scotland. I am sure that he will also convey to the Minister responsible for fishing in England the need to ensure that there is action against black fish in both England and Scotland.

Mr. Bernard Jenkin: Can the Minister confirm that, as a Scottish Fisheries Minister in a United Kingdom Government, he can attend, speak and vote at meetings of

the European Council of Ministers, but that, if fisheries became the responsibility of a Scottish Parliament, he would have to rely on an English Fisheries Minister to speak for Scotland there? How will that put Scotland at the heart of Europe?

Mr. Chisholm: As usual, the hon. Gentleman is wrong on matters of constitutional change. The Scottish Fisheries Minister will play a full part in those matters when the Scottish Parliament is created. I suggest that he reads with great care the White Paper when it comes out next week.

Referendum

4. **Mr. Letwin:** To ask the Secretary of State for Scotland what plans he has to make public funds available to groups campaigning in the forthcoming referendum in Scotland. [6693]

Mr. McLeish: The Government made it clear during the debates on the Referendums (Scotland and Wales) Bill that no state aid will be provided to any party or organisation for the purposes of campaigning at the referendum.

Mr. Letwin: I thank the Minister for that reply. Is there an intention to distribute widely in Scotland leaflets describing the White Paper, as has been reported in the press? If so, what arrangements will be made to guarantee their neutrality in the light of what he has just said?

Mr. McLeish: I can reassure the hon. Gentleman that any material published and produced by the Government in relation to the referendum campaign will be totally objective. The Government intend to assist the voters in the referendum, first, through an absent voters campaign targeted at people who will be away from home or unable to attend a polling station on the day of the referendum. Secondly, a detailed White Paper will be published shortly. Thirdly, a summary of the White Paper will be made available to all households in Scotland.

Mrs. Fyfe: Does my hon. Friend agree that we should be grateful to the Scottish Constitutional Convention for preparing the ground for the White Paper with its proposals? Does he also agree that gratitude should be expressed to it for bringing forward proposals to ensure that women of mettle in Scotland play an equal part in that Scottish Parliament when it is formed? It is a disgrace that other parties are not willing to do the same.

Mr. McLeish: I am very pleased to associate myself with the remarks made by my hon. Friend. The Scottish Constitutional Convention has done an excellent job in preparing the way for the Scottish Parliament. It should be applauded for the preparation it has done towards the White Paper and the subsequent Bill. Of course, our White Paper will be based substantially on the document produced by it.

In response to the final part of my hon. Friend's question, we hope that the political parties in Scotland will listen carefully to what she has said today. We want to see a move towards equal representation. Of course, it is up to the political parties to try to achieve that.

Scottish Parliament

5. **Mrs. May:** To ask the Secretary of State for Scotland if he will make a statement about his proposals for tax-varying powers for a Scottish Parliament. [6694]

The Secretary of State for Scotland (Mr. Donald Dewar): As stated in the Government's manifesto, Parliament will have defined but limited power to vary revenues. The details will be set out in a White Paper to be published shortly.

Mrs. May: I am grateful to the right hon. Gentleman for confirming that, despite some recent uncertainties, the Government retain their commitment to impose 18 tax rises on the people of Scotland compared with the 17 tax rises announced in the Budget for the rest of the country.

Will he confirm that the summary of the White Paper, which the Minister has just said will be distributed to households in Scotland, will include details of the tax-varying powers? Will it explain why the Government feel that it is necessary to impose that extra tax when the Prime Minister consistently said to the people of the country prior to the election that there would be no tax rises? Will the right hon. Gentleman provide an explanation in that paper about whether the Scottish Parliament will have full tax-varying powers or whether, as the Prime Minister suggested before the election, it will simply be like a parish council?

Mr. Dewar: I congratulate the hon. Lady on her assiduous repetition of propaganda from central office. I commend the White Paper to her when it is published. Perhaps she could start, however, by visiting Scotland and talking to people there. As I am sure she will know if she reads the papers even in a cursory fashion, the polls show an increasingly healthy majority support not just for the concept of a Scottish Parliament but for the need to give it the discipline and responsibility of having powers to vary some of its revenue.

Mr. Dalyell: What is the answer to the question put in yesterday's leading article in *The Scotsman* as to who pays for the new Parliament building on Victoria quay, which apparently the Secretary of State has discovered he now needs?

Mr. Dewar: The one thing that I have always enjoyed about my hon. Friend is his precision, but I can assure him that on this occasion he has fallen short of his normal high standards. Consideration is being given to various options, the reasons for which I think anyone who knows the Royal high school building will appreciate. We will be looking for a scheme that gives value for money, combined with effective government and an effective working environment for new members of the Scottish Parliament. I think that there will be widespread support for that.

Mr. Wallace: Although the Labour party has suggested that it would not necessarily use any tax powers given to the Scottish Parliament in the first term of that Parliament, can the Secretary of State confirm, having consulted his officials and the Inland Revenue, that those powers will be available for use by that Parliament in its first term if

the Parliament wishes to make the necessary additional investment in education and health that some of us think is needed?

Mr. Dewar: That is the intention. I am grateful to the hon. Gentleman for precisely drawing attention to the difference between an existence of the power and the use of it.

Mr. McAllion: Does my right hon. Friend agree that a directly elected Scottish Parliament will have a democratic legitimacy that cannot be matched even by the Scottish Office? It will therefore be a far more significant player in the annual public spending round than any Whitehall-based Department. It will therefore be better placed to defend levels of public spending in Scotland and to build upon that with its tax-varying power. Will my right hon. Friend therefore join me in recommending all those who want to see better public services in Scotland, which are better funded, to go out at the referendum and vote yes, yes?

Mr. Dewar: I certainly endorse what my hon. Friend says about the need for a good turn-out and to maximise the enormous potential support that exists, as almost every opinion poll has shown. The most recent one showed that eight out of 10 Scots, in the sample polled, felt that a Scottish Parliament directly elected in the way we suggest would produce policies more attuned to the needs of Scotland. There is an essential democratic case at the very heart of our argument for a Scottish Parliament.

Mr. Ancram: The Secretary of State is always keen to remind the House that the tax-varying power means downwards as well as upwards, so can he confirm the statement made in the other place recently by Government Treasury spokesman Lord Haskel—that, if a Scottish Parliament lowered the standard rate of tax by the permitted 3p in the pound, the Treasury would cut the Scottish block by £450 million to make up the lost revenue? On that evidence, can the right hon. Gentleman still claim that the tax-varying power, to reduce or put up tax, is good for the Scottish people? Will they not suffer either way from this half-baked tartan tax idea?

Mr. Dewar: The right hon. Gentleman will want to read the White Paper with care. I congratulate the noble Lord, who seems to have gone some way to educating Opposition Front-Bench spokesmen about the proposals. If we reduce taxation, that will have an obvious impact on the subvention from the United Kingdom Exchequer—it would be extraordinary if it did not. I hate to imagine the assault that would be mounted on us if we proposed otherwise.

White Paper

6. **Mr. Spring:** To ask the Secretary of State for Scotland when he expects to publish his White Paper on his proposals for the Scottish Assembly. [6695]

Mr. Dewar: The White Paper will be published on 24 July. This will allow both Houses proper opportunity to debate it before the summer recess.

Mr. Spring: Why has the White Paper been so long in coming? Surely, after all the years of discussion and debate about devolution, it would have been far better to produce specific proposals immediately after the general election.

Mr. Dewar: That shows a remarkable degree of naivety. For the hon. Gentleman's sake, I am glad that he is on the Opposition Benches; he will have some time in which to learn about the realities of government. If he were truly interested in what we have promised, he would know that we have said definitively, from the beginning, that we would publish a White Paper before the House rose for the summer recess. We have met that promise exactly, just as we shall meet many other promises in the time that lies ahead.

Mr. Hood: Does my right hon. Friend welcome the support of tens of thousands of former Conservatives for the White Paper, even before it is published? Will he comment on the decision of Arthur Bell, a leading Scottish Conservative, who has decided to dump that lot opposite us because they are anti-Scottish, anti-British and anti-Conservative?

Mr. Dewar: I do not want to intrude on private grief by discussing the internal state of the Conservative party. There is, however, substantial polling evidence to show that many Conservative supporters will vote yes in the referendum. That is perhaps not surprising when we recall how attractive the concept of devolution was to many distinguished Conservatives now sitting on the Opposition Front Bench.

Mrs. Ray Michie: If the White Paper includes the option of a new building for the Scottish Parliament, will the Secretary of State consider making it our celebration of the millennium—not a dome or a museum, but a building that reflects the best traditions of Scottish culture and architecture? It should be a living and working building, serving all the people: a truly exciting Scottish experience.

Mr. Dewar: I have a great deal of sympathy for what the hon. Lady says. For one horrible moment I thought that she was about to suggest that the Parliament should be housed on a hill above Oban, where, the House will recall, there is a building that might be turned into a dome with a bit of new roofing. I agree with the hon. Lady; the start of the new Parliament will, we hope—it depends on the vote of the Scottish people—almost coincide with the millennium, and I should very much like to think that it will catch the spirit of the time and will usher in a new era. I want an environment and a building that is worthy of that.

Mr. David Marshall: If the Royal high school building in Edinburgh is no longer suitable for the Scottish Parliament, does that open up the debate about where the Parliament will be located? Does it need to be in Edinburgh? Will the Secretary of State's proposals include consultation with local authorities, especially Glasgow, to ascertain what suitable alternative buildings and sites may be available to house the new Parliament?

Mr. Dewar: I thank my hon. Friend for giving me the chance to make the position clear. The Government have not ruled out the Royal high school, but we are conscious

of its shortcomings as a possible site, and we want to look at other options. To stop many hearts a-fluttering and rumours a-running, I should say that we shall not be looking beyond Edinburgh.

Mr. Ancram: Given that, on his own admission, it has taken the right hon. Gentleman a quarter of a century to bring the proposals to fruition in a White Paper—and it has taken the Labour party 18 years, the convention eight years and the Cabinet three months to bring the White Paper to fruition—does not he think that he is treating the Scottish people with contempt by asking them to make a sensible and valid judgment on the proposals in less than two months? Would it not be right, even now, for him to show some respect for the importance of his White Paper and postpone the referendum until the Scottish people have had a chance properly to consider and understand the highly complex issues, over which, we understand, even the right hon. Gentleman's Cabinet colleagues are falling out among themselves?

Mr. Dewar: I understand why the right hon. Gentleman wants more time to try to invent a few arguments to put to the people in Scotland. I realise that, through no fault of his own but through electoral mischance, he has been removed from the debate for a long time to come. If he is in Scotland more often, as doubtless he will be with his new responsibilities, he will find that, after the lengthy period of discussion, the mood in Scotland is that it is time for action. That will be confirmed by the referendum vote, and I look forward to making progress rapidly thereafter.

Mr. Ernie Ross: Does my right hon. Friend agree that the speed with which he was able to bring forward the White Paper is based wholly on the fact that, for the past eight years, the Labour party has been engaged in detailed discussions, rather than—as it could quite easily have decided to do—telling the people of Scotland what to do? We have been discussing with all the parties that have been prepared to sit down with us in the constitutional convention; even at the last moment, the offer was still open to Conservative members to join us. That discussion has allowed my right hon. Friend to produce the White Paper within such an excellent time scale.

Mr. Dewar: I certainly agree with my hon. Friend that the discussion over recent years laid a valuable foundation on which we were able to build when we came to power in May this year. I do not want to sound complacent, but we have made good progress in getting the White Paper ready for publication within a tight timetable. To be fair to the right hon. Member for Devizes (Mr. Ancram), I am sure that, with his knowledge of government, he will accept that. People have worked hard, and with great skill and commitment, to achieve that end.

Mr. Salmond: As he is talking about recent years, does the Secretary of State recall that he was the co-author and signatory of the Claim of Right, which asserted the sovereign right of the Scottish people to determine the form of government best suited to their needs? Does the right hon. Gentleman recall his Minister of State endorsing, in front of 25,000 people, the democracy declaration that stated that the sovereignty of the Westminster Parliament was no longer acceptable to Scots? Does the Secretary of State still hold those beliefs and will they be reflected in the White Paper, or has the Home Secretary told him to change his mind?

Mr. Dewar: The hon. Gentleman always puts it so endearingly. Of course I signed the Claim of Right. I was pleased to do so—proud to do so, almost—and I do not regret having done so. The fallacy in what the hon. Gentleman has put to me—we have had this debate before—is that he makes the arrogant assumption that that right of the Scottish people has to be exercised in a specific way. In my view, however, they could exercise that right as they think fit. I feel that they will want to exercise it in favour of the devolution proposals within the United Kingdom that I am advancing. The referendum puts that to the test, and I hope that, afterwards, we can move ahead with the minimum of further delay.

Mr. John D. Taylor: Before the Government finalise the contents of the White Paper, will the Secretary of State ensure that it addresses the issue of Scottish representation in this Parliament?

Mr. Dewar: It is a comprehensive White Paper. I have no intention of revealing its detailed provisions, but I can assure the right hon. Gentleman that it is a well-founded and well-formulated scheme, which I know he will read with great interest.

Environmentally Sensitive Areas

7. **Mr. David Stewart:** To ask the Secretary of State for Scotland what plans he has to review his Department's policy on environmentally sensitive areas. [6696]

Mr. Chisholm: Policy reviews for the Breadalbane and Loch Lomond environmentally sensitive areas are due to be undertaken later this year. Reviews of the remaining eight areas are scheduled for 1998.

Mr. Stewart: I thank the Minister for his reply. As he must be aware, environmentally sensitive areas are designed to help farmers and crofters adopt more environmentally friendly farming practices. In his review, will the Minister examine the ceilings for payments, which do not exist in England, with a view to increasing uptake of the scheme and ensuring that farmers and crofters are much more involved in ESAs?

Mr. Chisholm: The ceilings exist to prevent a disproportionate share of resources being swallowed up by a few very large farms or estates. My hon. Friend refers to England, where there is a different farm structure, without the large hill farms that we have in Scotland. The principle of ceilings is supported by the Scottish Crofters Union and was endorsed by the Scottish Affairs Committee in a recent report.

Health Service (Women and Children)

8. **Ms Squire:** To ask the Secretary of State for Scotland when he next intends to meet health board chairpersons to discuss health services for women and children. [6697]

The Parliamentary Under-Secretary of State for Scotland (Mr. Sam Galbraith): I meet health board chairmen regularly to discuss a range of issues.

Ms Squire: When he next meets health board chairmen, will my hon. Friend emphasise the importance

of full public consultation on the provision of services for women and children, especially in obstetrics and paediatrics? Will he further agree to urge the new chairman of Fife health board to go out directly to the communities throughout Fife and seek out and listen to their views on how best to provide local maternity services?

Mr. Galbraith: I acknowledge my hon. Friend's interest in maternity services, especially in Fife, and the efforts that she has made on behalf of her constituents. As we all know, maternity services are undergoing significant development and change in the health service. That process will vary depending on each health board. I am convinced, however, that the main motivation for that change must be the health and safety of mothers and babies, and that that will be the motivating factor in Fife as well.

Mr. John M. Taylor: When he meets the chairmen of the health boards, will the Minister tell them whether the Scottish Parliament—if there is to be one—will be competent to determine abortion questions?

Mr. Galbraith: The hon. Gentleman has thought to be clever and introduce an issue relating to the devolution proposals. As my right hon. and hon. Friends have said, he need be patient for only a little longer. The White Paper will be published on 24 July, and he should read it with great interest then.

Public Transport

9. **Mr. Savidge:** To ask the Secretary of State for Scotland what plans he has for increasing the use of public transport. [6699]

Mr. Chisholm: I intend to publish a White Paper on an integrated transport policy for Scotland early next year.

Mr. Savidge: I thank the Minister for his reply. Does he agree that the Government's promotion of public transport, combined with the decision that the roads review will pay regard to environmental as well as economic factors, should help us to fulfil our ecological responsibilities? Will he further be prepared to consider, with specific regard to my constituency, whether the western peripheral road, combined with an integrated public transport service, might be an environmentally friendly and economically sound way of solving Aberdeen's traffic problems?

Mr. Chisholm: As I told my hon. Friend in the Scottish Grand Committee, I shall look at the western peripheral road as part of the roads review. The criteria that we shall use for that review are the environment and the economy, but we shall also have regard to considerations of safety and congestion. We shall look at the scope for a modal shift towards public transport, which will be a key theme of our White Paper, and we shall consult on that very soon.

Mr. Ian Bruce: If the democratic will of the Scottish people is that a Scottish Parliament should have tax-raising powers, and if local authorities in Scotland go to that Parliament asking for public transport grants to help them to get more public transport, will the Labour Government stop that new Parliament from raising additional taxes? Are they asking the people of Scotland to give a democratic view of what should happen and then denying them the ability to use that varying power?

Mr. Chisholm: Once again, Conservative Members try to tempt us to reveal what will be in next week's White Paper. Transport will be dealt with clearly in the White Paper. A debate about congestion charging is going on at UK level among the Department of the Environment, Transport and the Regions, the Scottish Office and local authorities.

Mr. Donohoe: Will my hon. Friend give us some idea about the progress that has been made on the roads review, particularly in connection with the A77? The economy of Ayrshire will be greatly affected if the section that has already been proposed does not go ahead.

Mr. Chisholm: I am aware of the arguments in favour of that section of road, and it will be considered as quickly as possible. It will be early next year before it is completed, because we are determined to have a comprehensive review to introduce a coherent rationale into the road building programme. We inherited from the previous Government a make-believe roads programme; we are determined to form a real roads programme. The previous Government promised roads here and there, but there was no money in the forward budget plans to pay for them. We shall therefore introduce a coherent roads policy, which will be revealed early next year.

Block Grant

10. **Mr. Greenway:** To ask the Secretary of State for Scotland what representations he has received on the future of the formula used to calculate the Scottish block grant. [6701]

Mr. Dewar: People express a range of views to me about how public spending in Scotland should be financed.

Mr. Greenway: From what the right hon. Gentleman has told the House this afternoon, can we take it that he intends to build a new Parliament building for Scotland? If so, can we have a categorical assurance now—there is no need to wait for a White Paper—that it will be paid for out of the Scottish block grant, not by taxpayers in England?

Mr. Dewar: The hon. Gentleman wants details but, yes, there will be expenditure on a new Parliament building, whether on the refurbishment of the Royal high school or on a new site. Obviously that is an integral part of our proposals, and I hope that the hon. Gentleman will welcome the new Parliament when it comes.

Health Boards and Trusts

11. **Mr. Russell Brown:** To ask the Secretary of State for Scotland when he intends to reduce the number of health boards and trusts in Scotland. [6702]

Mr. Galbraith: I certainly intend to reduce the number of trusts, but I have no master plan. All proposals that are

sensible, involve clinicians, are supported by local health boards, and will improve clinical links between hospitals and between hospitals and primary care, will be considered on their merits. I have no immediate plans to change the number of health boards in Scotland.

Mr. Brown: I thank my hon. Friend for his reply. My constituency and that of the hon. Member for Galloway and Upper Nithsdale (Mr. Morgan) have two trusts and one health board in a sparsely populated area. Is not such a system overburdening in terms of bureaucracy and red tape?

Mr. Galbraith: I do not want to pre-empt any review at this stage, but any review will be put out to wide consultation and the hon. Members who represent that area will be involved. I am therefore grateful to my hon. Friend for putting his proposals to me at this early stage, and I shall certainly take them into consideration.

Mr. Alasdair Morgan: Will the Minister intervene with Dumfries and Galloway health board in connection with the number of community care beds being provided in Stranraer, a matter that is causing great concern in Galloway?

Mr. Galbraith: I was not aware of that problem, but I shall look into it on behalf of the hon. Gentleman and give him a reply when the information is available.

Dental Health

12. **Mr. Maxton:** To ask the Secretary of State for Scotland when he intends meeting the British Dental Association to discuss dental health in Scotland. [6703]

Mr. Galbraith: I have asked my officials to arrange a meeting with the British Dental Association in September.

Mr. Maxton: Does my hon. Friend agree with the British Dental Association that the quickest and most effective way dramatically to improve dental health in Scotland, particularly among young people, is to ensure an adequate supply of fluoride in the public water system? If he agrees, will he hold urgent talks with the water authorities to ensure that that happens and, if they refuse to fluoridate water, will he introduce legislation to ensure that it happens?

Mr. Galbraith: There are three main ways to reduce dental caries. The first is to cut sugar intake, the second is to clean teeth regularly and the third—and by far the most effective—is to introduce fluoride, which is the best way forward.

HOUSE OF COMMONS

House of Commons Disqualification Act

29. **Dr. Tony Wright:** To ask the President of the Council if she will make a statement on the role of the Privy Council in relation to the House of Commons Disqualification Act 1975. [6720]

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): The offices and bodies, membership of which disqualifies individuals from being Members of the House of Commons, are listed in the House of Commons Disqualification Act 1975. Amendments to the list are made by Order in Council on the advice of the Privy Council. In addition, the judicial committee of the Privy Council would consider any application that might be made to Her Majesty in Council by a person claiming that a Member of the House of Commons is disqualified by that Act.

Dr. Wright: Did my right hon. Friend notice the recent remarks of Lord Nolan, who suggested that the time had come for the House to look again at the issue of outside interests? Now that certain Conservative Members have expressed their intention of responding to the rigours of opposition by devoting themselves to making serious money outside, is it not time to examine the House of Commons Disqualification Act 1975 and the role of the judicial committee to see whether that is a way of dealing with the matter? Will my right hon. Friend give it urgent consideration?

Mrs. Taylor: I am grateful to my hon. Friend for raising issues that are of concern to many people. We now have a code of conduct for Members of Parliament and the new system that is supervised by the Standards and Privileges Committee. In view of that, it is somewhat early to suggest a different course of action. The Standards and Privileges Committee is working well.

Mr. Ian Bruce: Will the President consider whether the Privy Council might have a role in examining blind trusts for the financing of private offices? I have taken advice from the assistant registrar, who says that a blind trust would no longer be acceptable because when the system was last used it broke down. Perhaps the Privy Council could advise the Prime Minister whether he should publish the names of all the people who donated to his blind trust.

Mrs. Taylor: The matter was considered by the previous Standards and Privileges Committee on the advice of Sir Gordon Downey. The new Standards and Privileges Committee will inherit some of that work and make its recommendations in due course. It is right that the guidance should come from there.

Modernisation

30. **Mr. Hill:** To ask the President of the Council if she will make a statement on progress made in respect of the modernisation of Parliament. [6721]

Mrs. Ann Taylor: The Select Committee on Modernisation of the House of Commons was set up on 4 June with a wide remit to consider how the practices and procedures of the House should be modernised. I hope that the Committee will soon be able to report its initial conclusions on improvements to our legislative procedure. We have already made suggestions about changes in the voting Lobby, which are being adopted on an experimental basis.

Mr. Hill: In thanking my right hon. Friend for her reply, may I remind her that impatience for change is

shared not only by newly elected Members, but by Members of all generations, not least my intake of 1992. With reference to long overdue reforms, has my right hon. Friend any plans to remedy the absurd situation that occurred yesterday evening, when the House was kept up until the small hours by a handful of Liberal Democrats on entirely non-controversial legislation?

Mrs. Taylor: My hon. Friend is right to say that the House was detained last night by part, if not all, of the Liberal party. He is certainly correct when he says that not only new Members of Parliament favour change: many experienced Members have submitted ideas and evidence to the Modernisation Committee and we hope to take their views into account in due course. I think that there is a general mood for change the procedures of the House.

Sir Patrick Cormack: Does the right hon. Lady accept that, if her laudable desire for full and proper scrutiny of all legislation is to come to pass, we must have more prior consultation and much fuller debate than she has allowed us today on the Finance Bill?

Mrs. Taylor: The hon. Gentleman will know that today's Finance Bill debate was agreed with the Opposition: the Government acceded to their request to consider the Bill for two days in Committee of the whole House. In the longer term, we must examine procedures to ensure that there is appropriate scrutiny of all Bills. However, I do not wish to rehearse the issues raised in yesterday's guillotine debate.

Order Paper

31. **Mr. Miller:** To ask the President of the Council what plans she has to propose changes to the format of the Order Paper. [6722]

Mrs. Ann Taylor: The Select Committee on the Modernisation of the House of Commons is currently considering ways in which the Order Paper might be made more user friendly.

Mr. Miller: My right hon. Friend may have noticed the event being staged outside the Queen Elizabeth II conference centre for Plain English Week. In view of that event and the fact that many hon. Members have great difficulty explaining to our constituents the meaning and structure of the Order Paper, will my right hon. Friend carefully consider revising its format to make it more user friendly? We must avoid the pitfalls that the previous Administration encountered when the Department of National Heritage won the plain English booby prize.

Mrs. Taylor: I certainly hope that a redesigned Order Paper does not win a booby prize. Hon. Members on both sides of the House have expressed concern about the Order Paper's current format. We want to make it more comprehensible, and we think that there is a strong case for applying plain English principles to every document, including the Order Paper. [HON. MEMBERS: "Pictures?"] Opposition Members may need pictures because there are so many new Labour Members. However, we are not considering pictures for the Order Paper.

Mr. Soames: Will the President accept that there is absolutely nothing wrong with the Order Paper and that she would be better occupied turning her attention to more important matters? For example, will she try to help the Prime Minister recover his bottle so that he may come to this place twice, rather than once, a week?

Mrs. Taylor: Many people inside and outside the House believe that the current procedure for Prime Minister's Question Time is a significant improvement on the old procedure. *[Interruption.]* If hon. Gentlemen think that it is boring, perhaps that shows that the new procedure is more constructive than the old one. As to the Order Paper, I repeat that we have received representations from hon. Members on both sides of the House about the need for change, which the majority would agree is long overdue.

Messages Between the Houses

32. **Mr. Rhodri Morgan:** To ask the President of the Council what proposals she has to replace Norman French with English for the endorsement of Commons Bills being sent to the other place. [6723]

Mrs. Ann Taylor: None.

Mr. Morgan: While we are on the subject of plain English, why do we use Norman French in all communications when sending amended legislation from the House to the other place? Is it not ludicrous that, 550 years after the last speech was made in French in this place, we still do not use English, plain English, modern French or even grammatical old French for those communications? If it is considered indelicate to use the English language when endorsing Bills and returning them to the other place, why do we not use the language of heaven?

Mrs. Taylor: I must take my hon. Friend's word for it that the Norman French that is used is not even grammatical; I would not like to challenge him on that point. There is a role for traditions in the House but we should always ensure that any tradition that we maintain has a purpose. It may be that in due course the Modernisation Committee will be able to turn its mind to these issues, but I do not think that they can be a priority.

Mr. Baldry: Is not the proposal modernisation gone mad? Will the President confirm that the phrase "La Reyne n'avisera pas" was last used in the House during the reign of Queen Anne? Unless someone has a rush of blood to the head, we are unlikely ever to hear it again in our lifetime. If the hon. Member for Cardiff, West (Mr. Morgan) cannot cope with one phrase in Norman French, there is a real problem with the national curriculum in Wales. Perhaps it is about time, with all this modernisation, that we started sending Cromwell's men back to their barracks.

Mrs. Taylor: I am sure that the hon. Gentleman's attitude, approach and comments will be taken into account during the devolution debate.

Mr. Skinner: Would it be fair to record that during the past 18 years a great deal of modernisation took place? Successive Conservative Governments desired its introduction. Most of those who have spoken of

modernisation, apart from new Members, marched into the Lobby to support so-called modernisation of the House. They removed many opportunities for Back-Bench Members by getting rid of debate on the Consolidated Fund Bill. Countless other measures were taken to prevent Back Benchers from speaking. They got rid of Adjournment debates before recesses, of which there were three in any given year.

Those proposals were introduced and finalised in accordance with the Jopling recommendations, which were made in the name of a Tory Member. All that resulted in many of the things that we used to do on the Floor of the House being taken in Committee. I warned Tory Members at the time that they would rue the day that they introduced such changes. I told them that when they went into opposition—they were so arrogant that they believed that they would never return to opposition—they would find their hands and feet tied together.

Madam Speaker: Order. We heard all this yesterday. It is becoming rather tedious.

Mrs. Taylor: My hon. Friend's analysis of the attitude of Conservative Members is entirely right. Of course, the Jopling report did not deal with Norman French.

Scottish Grand Committee

33. **Mr. Rowe:** To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, what is the estimated annual cost to public funds of sittings of the Scottish Grand Committee. [6724]

Mr. Archy Kirkwood (on behalf of the House of Commons Commission): Separate estimates for the additional indirect costs of the meetings of the Scottish Grand Committee are not kept independently. A manual check of the records for the financial year 1996–97 for the 13 meetings that were held of the Scottish Grand Committee furth of the Palace of Westminster totalled £108,000, an approximate cost of just under £10,000 per meeting.

Mr. Rowe: I thank the hon. Gentleman for that reply. Does he believe that the cost of the proposed Scottish Parliament will be very much greater? Would he envisage the Scottish Office team of Ministers, which is paid for out of United Kingdom funds, being cut pro rata? Does he think that that would be a good idea?

Mr. Kirkwood: I can confidently give the hon. Gentleman an assurance that the House of Commons Commission has no immediate territorial ambitions to invest in real estate in Edinburgh; we have enough difficulty dealing with estimates to cover the costs of the administration and works budget. These are matters for Ministers of the Crown. The hon. Gentleman is entitled to make his political point in his own way, but I suspect that the publication of the White Paper next week will provide him with a better opportunity so to do.

Mr. McAllion: Will the hon. Gentleman confirm that the costs of the Scottish Grand Committee during the past Session were inflated because of the decision taken by the then Secretary of State for Scotland to take the Committee on a tour of every constituency in Scotland that had a Tory Member? As every one of them was defeated in the subsequent general election, does the hon. Gentleman agree that there has never been such a waste of public money at any time by any Government?

Mr. Kirkwood: The House of Commons Commissioners are simply servants of the House; we will the means while the House wills the ends. I know that the hon. Gentleman will be aware of a motion of 30 June, which will restrict the number of meetings of the Scottish Grand Committee during the coming Session. It is true that some of us believe that the former Secretary of State for Scotland had an eccentric predilection for compering in important but out-of-the-way parts of Scotland early on Monday mornings late in the winter.

Mr. Forth: Will the hon. Gentleman undertake to install an accounting system that will show the English taxpayer how much of the costs of these exercises he is expected to bear in indulging these Scottish nonsenses?

Mr. Kirkwood: Perhaps I may advert to the fact that Standing Order No. 117 contains powers for a Standing Committee on Regional Affairs. If the hon. Gentleman thinks that he is being left out and treated less well than Scotland, which has access to a Scottish Grand Committee, the Leader of the House might table a motion to constitute such a Committee and the hon. Gentleman could have the same benefits as members of the Scottish Grand Committee.

Committee on Standards and Privileges

34. **Mr. Winnick:** To ask the President of the Council what plans she has to review the responsibilities of the Committee on Standards and Privileges. [6725]

Mrs. Ann Taylor: I have no such plans, but I will, of course, consider any views that hon. Members might wish to put to me.

Mr. Winnick: On a relatively minor matter—I would not describe it as anything else—is the Leader of the House aware that I sent a note to the Clerk regarding dress? It would be odd for us to wear the dress of our predecessors of centuries ago, so is not it about time that we brought the Chamber into line and perhaps—without in any way wishing to be offensive to anybody—remove wigs and the rest of it?

Mrs. Taylor: That could be considered by the Modernisation Committee, although not by the Committee on Standards and Privileges.

Points of Order

3.30 pm

Mr. Ken Maginnis (Fermanagh and South Tyrone): On a point of order, Madam Speaker. I should like to draw this matter to your attention. The Secretary of State for Northern Ireland made a statement on Radio Ulster's "Talkback" programme yesterday, which conflicts with specific assurances given to the House on 30 June—I refer specifically to columns 62 and 63 of the *Official Report*.

Has the Secretary of State indicated to you, Madam Speaker, whether she intends to come to the House to explain why assurances given here on 30 June were either inaccurate or misleading? Furthermore, has she indicated any intention to come to the House to inform hon. Members why policy relating to Government contact with Sinn Fein-IRA, as defined by the Prime Minister after the murder of two RUC officers in Lurgan on 16 June, has been substantially changed, and why contacts are again taking place? If she has not, would you consider it incumbent upon her to do so?

Mr. Douglas Hogg (Sleaford and North Hykeham): Further to that point of order, Madam Speaker. Is it not clear from what the hon. Gentleman just said that either the Secretary of State for Northern Ireland was wrong when she made her statement to the House, or there has been a change of policy since she made her statement? In those circumstances, should she not come to the House to make a personal statement to explain a possible error, or explain why there has been a change of policy?

Mr. Kevin McNamara (Hull, North): Further to that point of order, Madam Speaker. Are you not aware that my right hon. Friend the Secretary of State has in fact made a statement explaining the situation; that she is seeking to clarify the Government's position with regard to the talks process; and that all right-thinking people in this country would welcome any steps that are being taken to try to get Sinn Fein-IRA to enter into the peace process and give up the use of violence?

Madam Speaker: This is not a matter for me, but I can tell the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) that I am not aware that the Secretary of State is seeking to make a statement in the House. I understand that the Secretary of State has already written to the hon. Gentleman on this matter, and that a copy of her letter is in the Library of the House.

Mr. Ian Bruce (South Dorset): On a point of order, Madam Speaker. We heard today, during Scottish questions, that the White Paper on Scottish devolution will be issued on 24 July. I know that you, as guardian of the rights of Back Benchers, will have noted that there will not be another Scottish Question Time before the summer recess.

I am sure that the whole House is concerned that the White Paper will be produced with no assurance that there will be a statement in the House—we have seen again that Ministers do not come to the House to make statements any more, and I am glad that the Leader of the House is in her place—and no absolute assurance that we shall have a full debate. The people of Scotland will have to vote on the White Paper without their parliamentary representatives having had any chance to comment on it.

Madam Speaker: The hon. Gentleman may seek to catch my eye on Thursday, to ask the Leader of the House whether a debate will follow the publication of the White Paper.

Mr. Hogg: Further to that self-same point of order, Madam Speaker.

Madam Speaker: No. I shall take no further points of order.

Mr. Hogg: Further to that point of order, Madam Speaker.

Madam Speaker: I have answered that point of order. The hon. Member for South Dorset (Mr. Bruce) asked whether a debate would follow the publication of the White Paper—

Mr. Hogg *rose—*

Madam Speaker: Order. I am on my feet. It is incumbent upon hon. Members to put such a question to the Leader of the House when she is answering questions about next week's business.

Mr. Hogg: Mine is a related point of order, Madam Speaker, but it is a point of order to you.

Madam Speaker: Order. The right hon. and learned Gentleman obviously does not understand. He has been in government for a long time. Once I have responded to a point of order, I do not take further points of order. That is why I allowed a number of points of order on the first point of order.

Mr. Hogg: I was putting a related point of order, Madam Speaker, which goes to the possibility of a statement. It is clearly the will of the House that we should have an opportunity to explore the White Paper before the full debate. One way to address that point is for an oral statement to accompany the publication of the White Paper. That will give the Government an opportunity to develop their thinking and right hon. and hon. Members an opportunity to explore that thinking.

Madam Speaker: I am sure that those on the Treasury Bench has taken note of the right hon. and learned Gentleman's suggestion.

Mr. Dale Campbell-Savours (Workington): On a different point of order, Madam Speaker.

Madam Speaker: Good.

Mr. Campbell-Savours: You will be aware, Madam Speaker, of the annunciator screens around the House. In the old days, one look would reveal the nature of questions, statements or private notice questions, and the time. It now takes 75 seconds to establish from different frames the date, the nature of statements and private

notice questions, the grouping of questions and the time. The screens even refer now to faults on the equipment. Can we revert to the old system whereby the annunciator screen required only one glimpse, thereby saving time?

Madam Speaker: Perhaps we have too much business for the annunciator screen to cope with. I sometimes think so.

BILL PRESENTED

WIDENING OF THE M25 MOTORWAY

Mr. Andrew Mackinlay, supported by Mr. John McDonnell, presented a Bill to make subject to a local planning inquiry any proposal to widen the M25 motorway or to vary the number or width of lanes within its existing curtilage: And the same was read the First time; and ordered to be read a Second time upon Friday 28 November, and to be printed [Bill 48].

Television Licence Payments (Age Exemption)

3.36 pm

Mr. Howard Flight (Arundel and South Downs): I beg to move,

That leave be given to bring in a Bill to amend the Wireless Telegraphy Act 1949 to exempt persons who have attained the age of 75 from paying the fee for certain wireless telegraphy licences; to make provision with respect to the funding of the BBC; and for connected purposes.

I hope to persuade the Secretary of State for Social Security to make good the finance to the BBC. I appreciate that an hon. Member may not introduce a Bill that involves revenue expenditure, but it is no intent of mine to interfere with the finances of the BBC, which have been put on to a proper footing until 2002.

My motivation is simple. When I was campaigning during the general election, I met large numbers of pensioners aged 75 and older, living virtually entirely on their old-age pensions, for whom the television licence fee was a substantial burden and worry. For them, their televisions were their main conduit of communication, information and entertainment. Little did I know at that stage the history of the House's deliberations and the number of Bills and questions that had been tabled during the past 20 years.

I shall summarise the position, as I believe it to be, which goes back to the 1950s, when the Post Office, as an act of philanthropy, exempted people living in old people's homes from paying the full licence fee. That was put on a statutory basis in 1969, and various regulations between 1984 and 1988 added the disabled and the mentally disordered.

After the Kirklees judgment, the issue of sheltered housing came up, and in 1988 regulations attempted to clarify and deal with sheltered housing. On 1 April 1997, the Wireless Telegraphy (Television Licence Fees) Regulations became effective, which defined accommodation for residential care and confirmed the £5 licence. The regulations provide for a £5 licence for residential homes and for sheltered accommodation that is not in the private sector and where not more than 25 per cent. of the residents may be subject to a right to buy. There is an extraordinary anomaly, in that the Wireless Telegraphy Act 1949 deals with places and not people.

I pay tribute to the hon. Members for Walsall, North (Mr. Winnick) and for Leicester, East (Mr. Vaz) for their efforts over the years in campaigning for a wider licence fee exemption for all pensioners. My objective is an exemption for the older part of that population. There have been 56 representations on concessionary licences since the general election, but the Government are not willing to review the matter: their most recent parliamentary answer was on 2 June.

I want to stress three points. Conservative Members believe that benefits should be targeted. The crucial point is that the older part of the population—those over 75—do not in the main benefit from personal or occupational pensions. A far greater number of pensioners between the ages of 65 and 75 participate in such schemes. The oldest are the most cash-strapped. An increase in the old-age pension, other than an inflationary increase, is extremely unlikely. Means testing is too complicated and too costly for the elderly.

[Mr. Howard Flight]

Last year, the cost of such a measure was estimated to be £190 million. Allowing for the increase in the licence fee and the increase in the number of people over 75, the cost is now about £220 million. That is 0.22 per cent. of all social security expenditure, and contrasts with the £628 million cost of exempting all pensioners.

The present arrangements discriminate unfairly. Old people living in a home pay nothing and those in state-run sheltered housing pay £5, whereas people who are encouraged to stay in their own homes under care in the community must pay the full licence fee. It is unrealistic to think that an exemption for all pensioners could be afforded. It should be focused on the oldest part of the community, because people under 75 are generally in receipt of better incomes.

I hope that Labour Members will support me. If the Government have such amounts to spend, it is much better to put the elderly at the top of the list than to make political gestures such as abolishing handguns, which will cost in aggregate £180 million in compensation. Top priority should be given to a simple and tangible measure that is directed, cost-effective and brings help to some 85 per cent. of the retired population who are in real need.

Mr. David Winnick (Walsall, North): Do I take it, Madam Speaker, that one can only oppose the measure and not draw attention to the fact that my Bill on 16 January 1987 was destroyed by the Tory Government? In so far as the hon. Gentleman is trying to amend my Bill, I support him.

Madam Speaker: The hon. Member got those comments in while there was still time.

Question put and agreed to.

Bill ordered to be brought in by Mr. Howard Flight, Mr. Graham Brady, Miss Julie Kirkbride, Mr. Christopher Fraser, Mr. David Ruffley, Mr. Oliver Letwin, Mr. David Prior, Mr. Tim Collins, Mrs. Caroline Spelman, Mr. Andrew Lansley, Mrs. Eleanor Laing and Mr. Robert Walter.

TELEVISION LICENCE PAYMENTS (AGE EXEMPTION)

Mr. Howard Flight accordingly presented a Bill to amend the Wireless Telegraphy Act 1949 to exempt persons who have attained the age of 75 from paying the fee for certain wireless telegraphy licences; to make provision with respect to the funding of the BBC; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 28 November, and to be printed [Bill 45].

Mr. Ken Maginnis (Fermanagh and South Tyrone): On a point of order, Madam Speaker. May I beg your indulgence for a moment? You referred to a letter which you said that the Secretary of State for Northern Ireland had sent me, and informed me that it had been placed in the Library. Having checked, I find that it has indeed been placed in the Library—although it was marked "confidential", and although I believed that it was confidential to me.

The letter does not answer the questions that I put to you earlier. In fact, it endorses the point that I have made. That suggests to me that the Secretary of State should be advised that it is proper for her to come to the House to make a statement on what is obviously a change of policy and practice, contrary to the impression that she and the Prime Minister gave until 30 June.

Madam Speaker: The hon. Gentleman is aware that I have no authority to require a Secretary of State to come here. I understand the argument, but I can only suggest that the hon. Gentleman try in other ways to clear up the matter, and his argument with the Secretary of State.

Orders of the Day

Finance Bill

(Clauses 1, 15, 17 and 19)

Considered in Committee.

[SIR ALAN HASELHURST *in the Chair*]

Clause 1

CHARGE TO WINDFALL TAX

Question proposed, That the clause stand part of the Bill.

3.47 pm

Mr. Peter Lilley (Hitchin and Harpenden) *rose—*

The Paymaster General (Mr. Geoffrey Robinson): I see that the shadow Chancellor is in some doubt as to whether he or I should speak first. Are you prepared to rule on who should speak first, Sir Alan? Perhaps you could also enlighten us on whether there are any amendments for us to discuss. The Opposition may already have decided that they will not oppose clause 1, or, indeed, the Bill as a whole.

I am at a loss. It is some time since I have served on a Committee of the whole House, but normally amendments are tabled—sometimes, in extremis, starred amendments. It is, in my experience, unique for us to find that there are no amendments for us to discuss. Should I move that the clause stand part of the Bill, Sir Alan, or do you recommend some other procedure?

The Chairman of Ways and Means (Sir Alan Haselhurst): This may be a first occasion for many of us. It is the first occasion on which I have chaired a debate on the Finance Bill, just as it is the first occasion on which the Paymaster General has opened such a debate. I have, however, already put the Question, so the debate will take place on clause stand part.

It is fairly unusual for a Minister almost to solicit amendments to one of his clauses. Having looked to see who had risen, I saw the Paymaster General and did him the courtesy of calling him first.

Mr. Robinson: I am grateful to you, Sir Alan. We can take it, then, that the Opposition could not table an amendment that was in order, but still intend to offer some sort of latter-day attack on the windfall tax.

Clause 1 heads a group of provisions that together introduce the windfall tax, thus meeting the commitment that we made in our election manifesto to introduce a windfall levy on the excess profits of the privatised utilities. Those companies were sold too cheaply, so the taxpayer got a bad deal. Their initial regulation in the period immediately following privatisation was too lax, so the customer got a bad deal.

As a result, the companies were able to make profits that represented an excessive return on the value placed on them at the time of their flotation. We are now putting right the failures of the past by levying a one-off tax. The yield of around £5.2 billion will fund our welfare-to-work programme, and the new deal that we have announced for the young long-term unemployed and schools.

Clause 1 provides a one-off charge, set at a rate of 23 per cent. It also gives effect to schedule 1, which will be debated in Standing Committee. It may be helpful if I set the clause in context by explaining briefly how the windfall tax works.

Windfall tax is charged on the difference between the value of the company, calculated by reference to the profits made in the initial period after privatisation, and the value placed on the company at the time of privatisation. The value of the company is calculated by multiplying the average annual profit after tax for, normally, the first four financial years after flotation, by a price-to-earnings ratio of nine. That ratio approximates to the lowest average—

Mr. Lilley: Will the Minister give way?

Mr. Robinson: In one second. I shall just finish this point.

If the shadow Chancellor wants to intervene on the ratio, it may be helpful for him to know that the ratio approximates to the lowest average sectoral price-to-earnings ratio of the companies liable to the tax. The value placed on the company at flotation is calculated by multiplying the number of ordinary shares by the price at which shares were offered to financial institutions.

Mr. Lilley: I think that the Minister has kindly answered the question that I was about to ask, which was simply: whence did he pluck the figure nine? On reading *Hansard*, I shall be able to investigate exactly where he got the figure from.

Mr. Robinson: I am grateful to have so easily assisted the shadow Chancellor. May that ease continue as we proceed into more difficult waters during proceedings on the Bill.

Tax will be charged on that amount at 23 per cent. The tax will be payable in two instalments, due on 1 December 1997 and 1 December 1998. The companies liable to the windfall tax are those that were privatised by flotation and subject to economic regulation. That links with the rationale of the tax; the companies were sold off too cheaply when their shares were offered under value on flotation, and were regulated too loosely in the initial period after privatisation.

We have wasted no time in introducing the legislation and in fulfilling our electoral pledge. I commend the clause to the Committee.

Mr. Lilley: That was hardly a ringing endorsement of clause 1, and I can set the Minister's mind at rest: we have every intention of opposing this and subsequent clauses vigorously, both today and in Standing Committee. We have tabled amendments which, by definition, were in order because they are on the amendment paper. However, you have rightly decided, Sir Alan—all your decisions are right—not to select the amendments and that we can cover this ground under clause stand part, and that is what I intend to do.

Clause 1 introduces the only tax, out of the 17 tax increases imposed by the Budget, which does not breach promises in the Labour party's manifesto. If the House

[Mr. Lilley]

recalls, Labour promised that it had no need for any taxes over and above the windfall tax; it did tell the nation that there was to be a windfall tax, and it was in the manifesto. However, even that tax was based, essentially, on a deception: the pretence that it would not be paid by ordinary people. It was to be a sort of victimless crime, or rather a fine on the guilty—the so-called fat cats and the speculators—or on some abstract entity, the utility companies.

We have four major criticisms of the clause and the windfall tax that it initiates. First, the clause makes it clear that the tax will not be borne by the so-called fat cats and speculators, criticisms of whom justified its introduction. Secondly, it makes no meaningful attempt to define what is a windfall and should therefore bear the tax. Thirdly, it increases instead of reduces cost to customers; any improved profitability should be passed on to customers in the form of lower prices. Finally, it is retrospective, arbitrary and symptomatic of the Government's belief in arbitrary government, rather than in government by known and predictable rules.

The first issue, therefore, is who will pay the tax in the first instance. I should like the Minister to confirm that next to nothing will be paid by the people whom Labour spent many years vilifying—the so-called fat cats. How much of the tax will be paid by directors of privatised utilities? Next to nothing, I venture to suggest. How much will be paid by the notorious Cedric Brown? Not a penny, I suspect. Nor will it fall upon the so-called speculators, if the definition referred to in the clause is incorporated in the Bill. Virtually no one who subscribed early and sold immediately—who stagged the market—or sold within a brief period afterwards will pay any of this tax. Yet those who bought the shares after flotation, for long-term investment—on behalf, usually, of pensioners—will pay the tax in full; unless, of course, it is passed to their customers.

Mr. George Stevenson (Stoke-on-Trent, South): Would the shadow Chancellor care to comment on the obscene procedure that applied when National Grid was given away, when regional electricity companies received windfalls of hundreds of millions of pounds at public expense, without lifting a finger?

Mr. Lilley: My recollection is that that resulted in £50 being knocked off every quarterly electricity bill in the country. The hon. Gentleman may think that that is obscene. We think that that is what privatisation is all about—reducing costs and prices and passing the benefits to consumers.

Mr. Dale Campbell-Savours (Workington): May I ask the shadow Chancellor a simple question? Has it dawned on him that one of the reasons why millions of people changed their vote at the election was that they believed that the Conservatives represented and condoned greed? Does not this debate derive in essence from that greed, which the Opposition failed to control when they were in government?

Mr. Lilley: This may surprise the hon. Gentleman, but there is undoubtedly an element of truth in what he says. That is why I have no doubt that he will share my criticism of his Front-Bench colleagues for erecting a superstructure of criticism on the basis of the alleged greed of the directors of those companies, to justify the imposition of a tax which, according to the Bill, will not fall on those people of whom the hon. Gentleman and my right hon. Friend the Member for Huntingdon (Mr. Major), the former Prime Minister, were critical. The hon. Gentleman has highlighted the very weakness in the clause that I am seeking to highlight.

The clause says:

> "Every company which, on 2nd July 1997, was benefiting from a windfall from the flotation . . . shall be charged with a tax . . . on the amount of that windfall."

The company, of course, is the shareholders at any point in time, but the so-called windfall arose in many cases a decade or more ago. If there was a windfall, it may have been paid out in dividends to the shareholders who held the shares in the intervening period.

How can it be meaningful in the clause to describe shareholders on 2 July 1997 as "benefiting from a windfall", which may have arisen years before and which may have been paid out in dividends to a previous generation of shareholders? Will not the clause be open to legal challenge, as it is internally contradictory? Will the Paymaster General explain why he did not put that benefit in the past rather than the present tense, when clearly the definition in the schedule relates to alleged excess profits arising many years before?

That brings me to my second set of concerns. What do the Government mean by a windfall? No serious attempt is made to define anything that could be meaningfully defined as a windfall. Most people would assume that it referred to the rise in the share price soon after flotation. Previously, informed sources—who appeared to have the ear of the Labour party—made it clear that Labour intended at that time to relate the tax to movements in share prices after flotation.

Why did not the Labour party proceed down that route? Was it because the burden of tax would have fallen more heavily on the companies that were wooing the Labour party at that time? Or was it because that approach would have made it all the more obvious that it was essentially unjust to levy a tax on today's shareholders, which related to gains that accrued to a previous set of shareholders—a tax that would by definition not fall on those who realised those gains before the tax was introduced?

Instead, the Government have come along and defined excess profits arbitrarily. They have taken average profits over four years after flotation. If those profits exceed one ninth of the flotation value, the company will pay windfall tax on the excess. The factor of nine seems to have been plucked from the air. If I heard the Minister correctly, he said that it was related to the lowest price-to-earnings ratio.

4 pm

Mr. Geoffrey Robinson: The shadow Chancellor was kind enough to say that I had been clear with him. I apologise if I was not. I think that I was. It is the lowest sectoral price-to-earnings ratio, which was 9.2 for water. We have rounded that down to nine. Is the shadow Chancellor saying that we should take a higher

price-to-earnings ratio in calculating the windfall tax? Many sectors and companies had much higher price-to-earnings ratios in the relevant period.

Mr. Lilley: There are not many companies in Britain with which to make comparisons. Why does the Minister not compare more widely, say, with utility companies floated on the American stock exchange? From my recollection, which is hazy with the passage of time, the price-to earnings ratios of those utilities are more like six than nine. It seems odd to say that anything above the norm is an excess that should be taxed. There is in any marketplace a range around the norm, which reflects the different degrees of success of companies. It is odd not to allow for that fact.

Mr. Robinson: Will the right hon. Gentleman give way?

Mr. Lilley: In a second. While the Minister is about it, perhaps he could tell us why he chose four years after flotation rather than three, five, 10 or two.

Mr. Robinson: Four years broadly corresponds with the first period of price regulation, when regulation was lax. It seemed appropriate to encapsulate the profit that arose in part from the undervalue at sale and in part from the lax regulation in the first period of price regulation.

I fear that I still have not made it clear to the right hon. Gentleman why we have taken the factor of nine. The windfall gain is not that in excess of nine, but that measured between the funds realised by the sale of shares on flotation day and the application of nine—which is the lowest—to the profits. We could not be fairer on any account.

Mr. Lilley: I am not sure that everyone will agree with that. Most people would regard as fairer a number that reflected what was excessive rather than what was just above the normal.

Essentially, the windfall tax boils down to a tax on success. Companies that failed to improve their profitability over the said period will pay much less or even no windfall tax. Some companies are complaining that other companies in the same industry that were conspicuous failures in modernising, improving and increasing their profitability and efficiency will pay little tax, while those that have done most to invest, reform their working practices and diversify into other businesses will pay most.

I understand that companies that have diversified into new ventures, even if outside the regulated activities, will pay windfall tax on the benefits of diversification. I stand open to correction by the Minister if that is not the case. As he does not correct me, I assume that I am correct and that the Government will impose a windfall tax on profits made in areas other than those in which the company was operating at the time of privatisation and other than in directly regulated areas. That is an indication that the Labour party has not changed. The Labour party still believes that profit is a dirty word. The more profits people make, the dirtier they are and the bigger the tax they should have to pay. That is the essence of the proposal before us.

The Government simply do not understand what privatisation was for or how the regulatory system was intended to pass on the benefits to customers. The aim was to harness the profit motive, which was conspicuously lacking under nationalised ownership, to improve efficiency and reduce prices to the customer. Given the monopoly position of many of the industries involved, some regulatory system was essential to ensure that companies did not improve their profits simply by raising their prices.

We could have chosen a system of fixed profit margins. That has been tried in some countries, but it is grossly inefficient because it leads to cost-plus pricing: the more the company's costs increase, the higher its prices. It is automatically allowed to pass costs on by the regulator. We therefore did not choose that method. We could have gone for a rate-of-return system, which is often used in north America and elsewhere, but that, too, leads companies to wasteful, gold-plated investment. They automatically earn a higher return the more they invest, which leads to inefficient use of resources.

We initiated and developed—it has since been copied elsewhere—the so-called RPI minus X system, which requires companies to reduce their prices in real terms by fixing price increases at X points less than the rise in the retail prices index. That requires companies to reduce their prices. If a company cuts its costs even faster than it reduces its prices, it can improve its profits. However, after a fixed period—the Minister gave an average of four years—the RPI minus X system is revised in the light of performance, so that the benefit of past efficiency gains is passed on in lower prices in the next term.

There is a sharper spur for further gains in efficiency, as companies can make higher profits only by exceeding that even more demanding price reduction target. If the Government can convince the House that more than adequate profits are being earned by any of the industries concerned, they or the regulators should require at the next price review bigger reductions in prices, and faster falls in prices thereafter, to ensure that the benefits are passed on to the customer. It is the customer, not the tax man, who should benefit from the efficiency that privatisation has brought.

Lorna Fitzsimons (Rochdale): The shadow Chancellor should be aware that the water regulator, Ian Byatt, has pledged that his current pricing review will mean direct reductions in prices for customers, taking account of the windfall tax, in the next five-year retail prices index calculation.

Mr. Lilley: Exactly. The hon. Lady has hit it on both buttons. First, the regulator will automatically pass on efficiency gains, and, secondly, he will take the windfall tax into account. The reduction will be less than it would have been had it not been for the windfall tax. She has made for me my very next point. Because the Government are imposing an extra cost on these industries, the reduction in prices will not be as great, or will not occur at all.

We should not underestimate how effective privatisation has been in reducing costs to consumers, both domestic and industrial. Since privatisation, telecoms prices have fallen by 40 per cent. in real terms. As a result, calls are cheaper than in France, Germany or Italy. Gas

[Mr. Lilley]

prices have gone down 20 per cent. for domestic consumers and, for domestic consumers, are below those of Germany, France, Italy, the Netherlands and Belgium. The price of gas for industrial users has fallen by 48 per cent. There has been a reduction of 9 per cent. in the price of electricity for domestic consumers, and one of 10.5 per cent. for businesses. Generators have doubled their productivity since privatisation. That is an indictment of the failures of nationalisation and a recommendation of the success of privatisation since we introduced the policy.

The Government simply pretend that a tax can be levied on companies without any impact on the customers and users of their services. In last year's Budget debate, the then shadow Chancellor said that the windfall tax would not be paid by ordinary families. It is nonsense to pretend that there is any tax that is not ultimately paid by ordinary people. It is not just I who say that, but John Kay, the guru who advises the Chancellor and the Prime Minister. He made it clear in the definitive work on British taxation that there is no tax that is not ultimately paid by individuals.

If the £5 billion that is being levied on those industries by the tax is ultimately fed through to individuals, the average cost per household will be between £250 and £300.

Mr. Campbell-Savours: That is a total exaggeration.

Mr. Lilley: The hon. Gentleman may think that it is an exaggeration when I divide £5.2 billion by 19 million households and get the answer of £270, but that is in accord with the normal laws of arithmetic that have applied in the House for some while.

The Government tried to change the actuarial rules in order to lessen the impact of the advance corporation tax charge on pension funds; now they want to change the ordinary rules of arithmetic, to pretend that a tax on those industries will not affect household bills. It will affect them to the tune of £270 on average, and pensioners will lose most because they spend disproportionately more of their incomes on household bills and typically have lower than average incomes.

Mr. Geraint Davies (Croydon, Central): On simple arithmetic, does the right hon. Gentleman accept that the £5.2 billion will not simply be put in a hole in a ground or burnt, but will be invested in jobs in our welfare-to-work scheme? Therefore, that money will come back to those same ordinary people through lower tax bills. The right hon. Gentleman's prediction about the future net effect is quite wrong. In the longer term, the whole point of the investment announced in the Budget is that people will pay less in bills and taxes.

Mr. Lilley: All taxes are spent and therefore go back into the economy. On that basis, no tax costs anything and we could have 100 per cent. tax and be no worse off. Most people will see that there is a flaw in that argument somewhere, even if they cannot instantly tell where.

The burden of the tax will fall particularly on pensioner households, who will receive no special protection of the type introduced when the change in VAT rates on fuel was announced. We shall seek to introduce such protection as the Bill progresses in Committee. Why is no compensation to be offered? If the extra costs imposed on household bills exceed the impact of the 27p a week reduction in VAT on fuel, which the Chancellor will introduce in September, such compensation should be offered.

If the regulators prevent those companies from passing on the cost in higher household bills—the hon. Member for Rochdale (Lorna Fitzsimons) thought that the regulators would do so—by definition, the impact must fall on the value of the shares.

It is worth noting that approaching two thirds of those shares are held by and on behalf of pension funds. Therefore, instead of about 28 per cent. of the burden of the tax falling on pensioners, more than 60 per cent. of it will fall on present and future pensioners. That is in addition to the major, on-going attack on pension funds through the ACT charge which has been introduced in clause 19 and which we will attack with the greatest possible vigour in Committee.

Ultimately, the cost has to fall somewhere, and it will fall disproportionately on pensioners.

Mr. Geoffrey Robinson: As for the share prices and the link to the eventual value of pension funds, surely the right hon. Gentleman will be pleased to know that, as at 11 o'clock this morning, the average of those shares was up by 7 per cent. compared with the FTSE average of just 4 per cent. since 1 July this year.

Mr. Lilley: It will not have escaped the hon. Gentleman's notice that the share markets in this country and in some other countries have been rising fairly rapidly and continuously for some time. That is almost certainly not the effect of imposing a tax on them. If he thinks that shares go up when one imposes a tax on them, one ends up with the absurd justification that the Government offer for almost everything—that taxing things is good for us. If the Minister really believes that the shares have risen because a tax has been imposed on the pension funds in question, he will believe almost anything.

We are against this tax because it is retrospective, and over a long period, too. The Institute for Fiscal Studies compared the tax with the tax on banks in 1981, to the great advantage of the latter; it was almost immediate, and it fell on profits that had been made just months before, not on profits made years before. The new alleged windfall profit, moreover, was identified only years after the event.

4.15 pm

It is particularly strange that the Government should justify the tax as having been expected by everyone. The Labour party was invited to contribute to the Railtrack prospectus not long ago. I can find four pages in that 600-page document which were contributed by the Labour party and which describe its policies as they affect Railtrack. There is not a whisper about the possible imposition of a windfall tax on Railtrack. I should like the Minister to confirm that Railtrack will indeed fall within the general purview of the tax. The Bill certainly mentions railway companies, so we may legitimately assume that Railtrack will be included.

The Paymaster General has been a business man in the past. He must know that it is a serious matter to sign off a prospectus that is not a full and complete statement of the facts known to people at the time. Is he saying that, when Labour submitted its contribution to the prospectus, it did not know that it intended to introduce a windfall tax; in which case how could the market, the investors in these companies, or the rest of us, be supposed to know? Or did Labour keep it a secret, in defiance of company law? Who signed off the submission to the prospectus? Perhaps the Minister will tell us, so that we shall know whom to hold to account if ever legal proceedings are taken against the Government for the deceit inherent in the process.

Mr. David Watts (St. Helens, North): When the previous Administration sold off the utilities, they undervalued them. Does the right hon. Gentleman agree that that was gross incompetence on the part of the Conservative Government, and that it justifies this tax? If there were any justice in the world, the Conservative Ministers involved would be facing a surcharge for losing such large amounts of taxpayers' money.

Mr. Lilley: The difficulty that arises when selling off formerly nationalised industries is that it is hard to tell how successful they will be under privatised management compared with the appalling failures of nationalisation. If the Labour Government were proposing to levy an excess tax that related the price at sale to the profits in the four years before flotation, that might be reasonable. If they did so, they would have to hand back money to quite a few shareholders. But the profits made afterwards were unforeseen and unforeseeable; as it turned out, only the most bullish advocates of privatisation were right about them. It is a tribute to privatisation that it produced the improved profitability which, at the end of the price period, is then passed on to customers in the form of lower prices—if they are not siphoned off by extra taxation.

Mr. Campbell-Savours: Is it not true that anyone who put his money into Railtrack doubled it in 12 months? Is that right? Does the right hon. Gentleman agree that there is a case for taxing some of it?

Mr. Lilley: Capital gains tax is usually levied on gains that are realised. If it was so obvious that any windfall should be taxed, when invited to state its policies in the prospectus, why did not the Labour party think it worth telling the public about this great truth which the hon. Gentleman holds to be self-evident?

Mr. Campbell-Savours: I bet some Tory Members doubled their money, too.

Mr. Lilley: I assure the hon. Gentleman that I did not. As Ministers, we were never allowed to participate in the privatisation of those companies—or to hold millions of pounds' worth of shares in them, I might add.

During debates on clause 1 and subsequent clauses relating to the windfall tax, we shall want to focus on the Government's failure to understand how privatisation works. We shall want to concentrate on their failure to pass on the benefits of that privatisation in lower charges to customers and their desire to increase charges to customers and families by imposing the tax. We shall want to focus on the need for protection from that higher cost, just as we protected pensioners and others from other cost increases that were affecting their household bills. We shall want to focus on the importance of preventing the tax from becoming a permanent and continuing levy.

The Paymaster General justified the tax as a means of financing the welfare-to-work programme. We are not here to debate the merits of that programme. I previously said that I wish it well, but I doubt whether it will be successful. One thing we know from experience of such programmes around the world is that they continue to cost money for as long as they exist. How can the Government justify the existence of a temporary tax by a permanent programme that will need permanent taxation to finance it? Can the Government give an assurance to the House that the tax will not become a permanent burden on household bills?

Liz Blackman (Erewash): During last week's oral questions, in an almost throwaway remark, the shadow Chancellor said that the programme was temporary. Does he not concede that good-quality skills and employability are transportable? Behind employability lies behaviour that many young people in this country have not learnt, such as getting up early in the morning, getting themselves to work on time, following the rules once they are there, supporting their colleagues and generally taking on responsibility that they have not had to bear in the past. Does not the right hon. Gentleman concede that such behaviour has an air of permanence about it?

Mr. Lilley: I was saying that it is a permanent programme, but the tax is allegedly temporary. According to the hon. Lady's analysis, as each cohort of young people comes through, there will be a permanent need to fund the programme. We are not here to dispute the arguments that she has advanced—for the sake of argument, I shall accept them—but according to her analysis, the tax will have to be permanent.

We want an assurance from the Government that this will not be a permanent levy on the gas, electricity, water and telephone bills of every person in the country, particularly pensioners. I shall be urging my right hon. and hon. Friends to oppose the clause.

Mr. Malcolm Bruce (Gordon): I, too, wish to probe and oppose the clause. Although many of the arguments have been rehearsed and the Government have a mandate to implement the tax—we all know that the measure will be voted through with a comfortable majority—it is important that genuine concerns are put on the record and that the measure is tested against practical experience.

Those of us who oppose the windfall tax readily acknowledge that the first problem is that it is superficially popular. It appears to have no victims; the money will be spent on many good causes; many people made a lot of money, so why should there not be some consequences? However, there are good examples to show that that is a superficial argument. The tax is superficially attractive, but it is basically dishonest.

It is dishonest, first, because it is a retrospective tax. Most of the people who made the excess profits have pocketed them and gone; they will not be paying the tax. If the Labour party had been as concerned about the matter as it claimed, it might have done something about

[Mr. Malcolm Bruce]

the tax rates of high earners, such as those earning more than £100,000 a year. It would then have ensured that some of the people earning that sort of money made a slightly greater contribution to the general welfare. But that is not the central thrust of the debate on the clause.

I suspect that most people will think, "This is fine; I do not have to pay the tax and I shall receive benefits from it in training, employment and so on for my children or for me." The welfare-to-work programme is not part of this debate; whether we support it is a separate issue. We have expressed support for many of the Government's proposals, which we accept have some good features, and we have come up with some alternative proposals.

However, the way in which one spends the proceeds of a tax is separate from the merits of the tax; spending the proceeds of a tax on good causes does not in itself turn it into a good tax if its impact is fundamentally wrong. As has been said, it is not a victimless tax and it is not a tax that ordinary people will not pay; over time, they will pay it in one way or another.

The shadow Chancellor was right to say, in response to an intervention, that if, in calculating the price formula for a utility, a regulator takes into account the impact of the windfall tax, the regulator will basically be determining what prices should be after a significant amount of money has been taken out of the company's budget.

That proves a basic point—billions of pounds cannot be taken out of the utilities and have no impact on the basic economics of those organisations. If they do not have that money, they cannot invest it. If their investment programme is to be maintained without that money, they must borrow more than they would otherwise have borrowed. If they are forced to borrow, they have to pay a return on the money.

As was also said, consequently prices are likely to be higher than they would have been. If that happens against a background of falling prices, it may not be detected and the Government may eventually get away scot free, inasmuch as people will not appreciate that they have paid for the tax, but they will have paid for it just the same.

Mr. Denis MacShane (Rotherham): May I report to the hon. Gentleman a conversation which I had nearly two years ago with, I think, the managing director of Yorkshire Electricity? The managing director said to me, "Please pass on the thanks of our finance director to Gordon Brown, because never has a tax been so flagged up and so much notice given to enable us to make appropriate arrangements." Hon. Members are expressing synthetic indignation about the mistaken idea that the tax is a surprise and that companies have not prepared for it, discounted it and accommodated themselves for it.

Mr. Bruce: I am grateful for that intervention, but it is beside the point. The tax may well have been well advertised and management may well have been able to make contingencies. Many of those fat cats may well have been delighted that there was hype about a tax that people thought would hit them, when in fact they were pocketing the money and salting it away in overseas accounts. On that basis, yes, they had plenty of notice to ensure that they did not pay a penny of what many people considered to be their ill-gotten gains.

The people who will ultimately pay are shareholders and consumers, because the regulator will take into account the arrangements that companies have made. People may not notice that they have had to pay the tax, but they will have paid it in the end.

The clause is open to interpretation, because it reads:

"Every company which, on 2nd July 1997, was benefitting from a windfall".

Who decides, and how, that a company is benefiting on 2 July 1997? In fact, the formula does not refer to 2 July 1997; it goes back to the first four years post-privatisation.

Therein, I suggest, lies an inherent contradiction in the Bill. No doubt the Minister will respond on that point at the end of this short debate. On the basis of the wording, it seems that it would be perfectly possible for a company to say, "We may have done very well in the first four years, but circumstances have changed beyond recognition and we are no longer benefiting, so we should not be liable to the tax."

On Second Reading, my hon. Friend the Member for Twickenham (Dr. Cable) made the pertinent point that several companies behaved in a fairly profligate manner soon after they were privatised. They sought to diversify out of their original functions and became involved in relatively expensive and not especially profitable ventures, on which they lost money. They could write such money off, and therefore not make windfall gains of the size that would otherwise have been made, so they will pay less substantial taxes than other companies that prudently concentrated on their core business and on building up their strength there. Companies that did not waste the money will pay more tax, which seems to be a penalty for prudence and well-directed strategy. In a sense, it rewards those who have taken more risks.

I have said for a long while that I am concerned about certain aspects of the post-privatisation environment. The Liberal Democrat party argued not against the principle of privatisation but against the way in which it was done. We said that there was a need to ensure both effective regulation and effective competition in the post-privatisation phase. The Labour party criticised the previous Government for selling the family silver at knockdown prices. I accept the shadow Chancellor's comment that it is difficult to determine the value of a privatised asset, and it would have been extremely embarrassing if the flotations had been set at a level that discouraged full take-up. Almost by definition, therefore, the Government were driven to float those companies below their value to provide an incentive for people to invest in them and make the whole exercise appear more attractive.

4.30 pm

Some people may say that it is typical of a Liberal Democrat to comment that those are the opposite sides of the Labour and Conservative coins: the Tories privatise at a discount to give people a windfall, which the Labour party then taxes to put the money back into schemes that meet its set of priorities. It is money moving around the same group of organisations, but there are more open and honest ways to raise money and fund programmes. The methods of doing so should be sustainable and understood.

The assurance which we all need is that this will not be the beginning of a continuing process. The Government have argued that they did not invent the windfall tax idea

but that it was created by the Conservatives when they imposed a windfall tax on the banks. Two wrongs do not make a right, although it is arguable that the windfall tax on the banks was at least applied at the time the windfall was made, rather than a considerable time afterwards. However, the principle is just as wrong.

A range of privatised companies are now subjected to a windfall tax and continue to be subjected to regulation. The question then arises: at what point will it be determined that those companies are finally free of their history and able to operate in the marketplace, making their own commercial decisions within a realistic framework? Even at arm's length, regulation empowers the Government to influence those companies' policies substantially. I suspect that many of them will take the view that they would rather pay a windfall tax than have excessive regulation, which might interfere with the day-to-day management of their organisation.

It is interesting to note that the regulators' attitudes vary considerably. Regulation is a specific feature of the definition of a company liable to the windfall tax. I therefore distinguish between, for example, the electricity regulator and the gas regulator.

I remember an exchange that I had in the Trade and Industry Select Committee with Professor Littlechild—I am glad to say that his attitude changed a little afterwards—when he said that his job was to tell us what went wrong afterwards, not to interfere at the time, which was not why most of us thought he was appointed as regulator.

The current Director General of Gas Supply, on the other hand, said that she did not believe that it was the regulator's job to intervene to encourage gas companies to promote energy efficiency, despite all the agencies involved agreeing that it should be an effective part of the regulatory process. Because she has refused to intervene, that process has not happened.

I mention that to show that the impact of regulation on companies can differ substantially. As the Minister pointed out in interventions, regulation can modify abuses of both pricing and investment policy. There is potential for great argument about which company has been most affected by the impact of the regulator, and whether the assessment of the tax liability should be varied according to the degree of regulation and the conduct of the particular regulator.

I wonder whether the Government have given the companies any private assurances—if so, those should be made public—that, if they come quietly, there will be no further repercussions and in future there will be a reasonable climate for them to operate in. Management cannot be relaxed about the proposal unless assurances have been given that the tax will not be imposed again and that in future the companies will not be subjected to heavy-handed regulation, which could seriously affect their profitability.

Aspects of the tax are profoundly wrong in principle. It will ultimately fall on ordinary consumers, pensioners and shareholders to meet the cost, whether they are aware of it or not. The tax has implications for the continuing relationship between Government and the utilities. Some might argue that it could be a lever for a form of back-door nationalisation. It sets a precedent which would be extremely alarming if it were used by the Government to justify intervening in other sectors of the economy where they deemed that windfall earnings had accrued.

That is where the tax is most fundamentally wrong in principle. It is an irony that a new Labour Government have at the core of their manifesto commitment a very old Labour concept, which could set a bad precedent. I am grateful that Ministers have said that the tax is a one-off and will not be repeated. We will certainly hold them to that, because the precedent is wrong and should not be followed in future.

Mr. Campbell-Savours: I had not intended to speak in the debate until about 10 minutes ago, when I noticed that there was a shortage of speakers. I intervene briefly to raise one or two points which, when I recollect what has happened over the years, may be significant.

I have never purchased—

Mr. Quentin Davies (Grantham and Stamford): Will the hon. Gentleman give way?

Mr. Campbell-Savours: No, I have not even started yet. Give me a chance.

I have never, at any stage of my life, purchased the stock of a privatised company, nor has any member of my immediate family. I have not done so—

Mr. Davies: On a point of order, Sir Alan. I must intervene, or the *Hansard* record of our proceedings might be falsified. The hon. Member for Workington (Mr. Campbell-Savours) said that he was rising to speak only because he had noticed that there was a shortage of speakers. Those outside the Chamber would be justified in concluding from that that no other hon. Member had indicated to you that he or she wished to speak, or had tried to catch your eye. At my own count, five or six hon. Members on both sides rose on the last occasion when Members could have been called.

The Chairman: I am sure that the hon. Gentleman is trying to be helpful, but I have a pair of eyes in my head that are not so far failing that I am unaware of the situation.

Mr. Campbell-Savours: Following the landslide victory, there are 160-odd Conservative Members of Parliament, but only four or five of them have bothered to turn up to oppose a Bill that they have been telling us for weeks will do great damage to the former public utilities and to the privatised companies. Obviously, they do not feel strongly about those matters.

I was saying that I had never purchased a share in a privatised company. I have not done so on principle, because I believe that what happened in the 1980s and the early 1990s was fundamentally wrong.

As a member of the Public Accounts Committee, I saw several reports produced by the National Audit Office at that time that questioned the arrangements for the sale and flotation of shares. The Public Accounts Committee discussed those matters regularly, and—without breaching the confidentiality of the Committee—I must admit that the handling of those arrangements created divisions. I believe that we gave away large public utilities in the 1980s, and many greedy shareholders queued to purchase shares in the knowledge that they would make substantial windfall gains.

[Mr. Campbell–Savours]

I draw attention to an article that appeared in one of the more sensible press publications last year. It referred to a conversation about the windfall tax that allegedly took place in the former Conservative Cabinet. If I remember correctly—the article seemed very well informed—Cabinet members argued in favour of a windfall tax. Even the former Chancellor of the Exchequer allegedly expressed the view that a one-off dollop—if I may use that word—of cash from the privatised companies could help the then Government to secure their public expenditure targets. I shall say no more about that matter—perhaps the Opposition spokesman, the right hon. Member for Hitchin and Harpenden (Mr. Lilley), will refer to it during the debate.

I welcome the windfall tax. I think that it is a brilliant idea, and I congratulate those who were responsible for dreaming it up. I congratulate the researchers, academics and whoever else enunciated the principle that we are now transforming into legislation.

I believe that it will have a major impact in my constituency. Many of my constituents aged 18 to 25 or 25 years and over are long-term unemployed people, and their condition worries me. Many of them have grown up in families with no one in work. Lack of employment opportunities is creating a culture of unemployment in some parts of the country. Unless we tackle the problems today, that culture will undermine the social fabric of our society and have all sorts of social and economic consequences. The Government are trying to address those issues through this very important tax and the Finance Bill.

If all we do in the next few years is give young people hope, involve them in economic activity, give them a purpose in life and restore their faith—or induce some faith—in society by showing them that we are interested in their future, we will succeed. Through the gateway concept, as outlined in the new deal proposals, we hope to give young people education and employment opportunities that will stand them in good stead for the rest of their lives. We may not be thanked for our achievements, but that does not matter. We must take a decision today that will enable many hundreds of thousands of young people to enjoy the experience of stable work—which is a common experience for most people in my age group.

I turn now to the legislation and to the reasons why it is important. I readily confess that I have been converted to the principles of privatisation, which I opposed in the late 1970s and early 1980s. I voted in Divisions against privatisations—I am quite open about that; it is on the public record—in most areas, although I was discreetly in favour of selling council houses because I envisaged great social benefits.

In the same way, many Tories have been converted to the idea of the national health service. They voted against our proposals in the mid-1940s, believing that private health was the only solution. Today, many Conservative Members believe in the national health service. They may do things to which we object—a core of Tories would like to privatise the whole process—but the Conservatives were converts just like us.

Once converted, we were forced to address the question of how to achieve the objectives delivered by nationalisation through the privatisation process, so we became regulators. I think that the Labour debate in the next few years will be about the extent to which we can advance arguments about regulation without interfering in the workings of the market. We must strike a balance—and I believe that the previous Government got it wrong.

We have become greater regulators, and we are seeking to develop the principles of privatisation—we shall probably be more successful than the Tories ever dreamed. However, a residual issue remains: although we recognise that the changes will ultimately be beneficial, we must address the fact that many hundreds of thousands, if not millions, of people made huge windfall gains when they purchased shares in the privatised utilities. We should remember that many of those people still hold those shares today—as the former Government reminded us repeatedly when they published their figures on the state of share ownership in the United Kingdom.

4.45 pm

Mr. Quentin Davies: I must correct the hon. Gentleman's perception of history. The national health service was suggested to the House in a White Paper that was produced by the coalition Government in 1944 and presented by a Conservative Minister of Health. The Conservative party supported the principle of the national health service from the outset. The only difference between the parties during debate on the 1948 legislation was whether hospitals should be nationalised or should remain independent, often charitable, foundations. The principle of free health care at the point of use was common to the major parties—including the Liberals—and, as such, it was enshrined in the 1944 White Paper.

I hope that the hon. Gentleman does not mind my correcting that point. It is not directly germane to this debate, but, as the hon. Gentleman raised it, it is important to ensure that an untruth does not gain credibility by being repeated without challenge in this place.

Mr. Campbell–Savours: I do not intend to withdraw my remarks. The hon. Gentleman is rewriting history. When I came to this place in 1979, I met some very interesting old characters who had been Members of Parliament since 1945. We would sit in the Dining Room at night and they would tell us fascinating stories about parliamentary events in the 1940s. Their tales about Conservative Members' resistance to the socialisation of medicine in the 1940s were legion. They were very interesting stories, but I shall speak privately to the hon. Gentleman about them.

A residual issue remains: the huge gains made by many greedy people. We cannot turn back the clock and eliminate those gains. However, we can at least seek to redress the problems that have arisen as a result of the lost revenue that would have accrued to the taxpayers if the industries had remained publicly owned and begun to operate efficiently and effectively.

Mr. John Townend (East Yorkshire): I listened with interest to the hon. Member for Workington (Mr. Campbell–Savours). The hon. Gentleman and others have the idea that those who invest in shares and make profits are greedy. They think that they should not receive profits and believe that they do not pay tax. Those who take that view are not living in the real world. We are told that those who have made profits should now pay tax, the

implication being that they have not made any contribution from their profits. But they have: they have paid 40 per cent. capital gains tax. The hon. Member for Workington and others now want to levy a super-tax.

The hon. Gentleman says that he has been converted to privatisation. Could it be that one reason why privatised companies have been so profitable and successful is that, at the time of privatisation, no one realised the true level of the inefficiencies and bad management of the industries concerned? That is borne out by the fact that the hon. Gentleman says that he is now a convert to privatisation.

The windfall tax is not a fair tax, because it is a tax on success. I should like to hear the Minister's comments about two electricity companies, East Midlands Electricity and Yorkshire Electricity, which are of similar size. After the first year of privatisation, East Midlands Electricity made £109 million while Yorkshire Electricity made £100 million. East Midlands Electricity had a market capitalisation on flotation of £523 million while Yorkshire Electricity's was £497 million.

In the last of the first four years of privatisation, 1994–95, the two electricity companies were roughly the same size. East Midlands Electricity made a profit of £164 million and Yorkshire Electricity £161 million. One would think that they would pay roughly the same amount in windfall tax, but that is not so. Yorkshire Electricity is paying 40 per cent. more—£39 million-worth. One of the principal reasons is that, in 1993–94, East Midlands Electricity had a bad year. It made some bad investments, its management took its eye off the ball, and profits fell from £116 million to £27 million. As a result of that inefficiency, the company will pay less windfall tax than Yorkshire Electricity.

Yorkshire Electricity was more successful than East Midlands Electricity in its diversification. It made £18 million from an investment in Sweden. That has nothing to do, of course, with the price at which the privatised companies were put to the market, yet Yorkshire Electricity is having to pay windfall tax on its profit of £18 million. As I have said, we are not dealing with a fair tax. There are many anomalies, and the outcome is a tax on success. Those companies that have been successful will pay much more than those that have been failures.

The hon. Member for Workington told the Committee how pleased young people in his constituency would be about the windfall tax. I represent an area in which there is a high percentage of pensioners, and they are rapidly beginning to realise that the windfall tax is not a good tax for them.

It is significant that, during the Budget statement, the Chancellor of the Exchequer made it clear to the House of Commons that there would be no increases in prices. The regulator, however, has said that he is taking the windfall into account, so prices will be affected. We were told that there would be no decrease in investment and no decrease in service. So from where does the money come? There is only one place from which the money can come, and that is from the funds that are available for distribution in the form of dividends. Who are the largest shareholders in the utility companies? The large financial institutions, especially pension funds. That is one part of the triple whammy that the Budget has introduced against pension funds.

It is not the fat cats who will be taxed but future pensioners; they will probably be taxed more than today's pensioners. That is why we are dealing with an iniquitous tax. It is a means of taxing by stealth. The burden of the windfall tax will be felt not by the ordinary man in the street today but by future pensioners. It is a retrospective, unfair and bad tax, and I shall vote against it.

Mr. Derek Twigg (Halton): The Conservatives have opted for their usual scare tactics. I recall that the previous Prime Minister, the right hon. Member for Huntingdon (Mr. Major), sent out letters to perhaps millions of shareholders before the general election. Indeed, my father received one. As far as I know, he has never had a share in any of the utilities. That being so, I am not sure why he received the letter. However, it set out how much the windfall tax would cost the people of this country. The message was that they should not vote Labour. That approach did not work then and it will not work now. The Conservatives lost the mood of the country—that became clear on 1 May—and they have lost it again.

The windfall tax has been warmly welcomed in my constituency. When I was campaigning during the election campaign, many people said that they considered it to be a good idea. They were supportive because of the reasons for such a tax. They understood that it would create jobs and other opportunities for young people and the long-term unemployed.

Conservative Members have talked about the utilities—North West Water is an example. There is talk also about the utilities being sold off cheaply and the result being excessive profits, fat cats and price rises. All these issues come to mind. They were mentioned to me on the doorstep by those who are now my constituents. The shadow Chancellor of the Exchequer did not say that prices had doubled in the water industry. It is not all roses in the garden.

Basically, the windfall tax is seen as a fair tax.

Mr. Peter L. Pike (Burnley): My hon. Friend referred to North West Water, which came on the market at a knock-down price. People who live in the north-west—I am one of them—can be supplied with water by only one company. Similarly, sewage treatment can be undertaken by only one company. That being so, the company cannot fail to make a profit. That is why the windfall tax is fully justified.

Mr. Twigg: I entirely agree with my hon. Friend. He will be aware that the number of complaints about North West Water has increased significantly over the past few years.

It is said that the windfall tax is a temporary measure but will result in permanent benefits, which will be important to my constituency. That is why the measure is so warmly welcomed. In my constituency, 44 per cent. of young people do not have a job and are not in training or at college. That is a major problem. The windfall tax will bring about improvements, and the problem in my constituency will become less severe.

There are social problems when young people have not been in employment since leaving school. They may have moved from one temporary job to another. In many families, two generations have not been employed. Young people were shabbily treated by the previous Government and the windfall tax is a means of addressing the problem.

[Mr. Twigg]

The largest employer in my constituency is the chemical industry. The number of people employed in it has been drastically reduced during the past 10 or 15 years. Middle-aged men, especially, have lost jobs and are unable to find new ones. They are having a great struggle. They must acquire new skills, and that means retraining. Many people telephoned me to speak about these matters shortly before the election. They were keen to obtain more information, and keen for Labour, when in government, to take the issue forward.

The windfall tax is about bringing hope and benefits to people in constituencies such as Halton and, indeed, generally. The tax is warmly supported in my constituency and its introduction will be welcomed. The sooner it is implemented, the better.

Mr. Quentin Davies: The windfall tax, by its very definition—I do not think that Labour Members will be able to quibble with this—is arbitrary, discriminatory as only some companies will pay it, and retrospective. It is—*[Interruption.]* I shall happily give way to any Labour Member who wants to quarrel with the three simple propositions that I have put before the Committee. Does the hon. Member for Workington (Mr. Campbell-Savours) wish to take issue with me? He is shaking his head, but it is in the nature of a windfall tax that it should be retrospective, arbitrary and discriminatory. It is quite right that we should give the Government a hard time on this: it is scandalous. They should be made to face the essential aspects of the windfall tax they have introduced.

Irrespective of whether we lose the Division later this evening, it is right and important that the Committee should lay down a marker that the windfall tax cannot be got through the House with impunity; otherwise, Governments in the future—no doubt this Government, as I know they have four or five years to run—will regularly resort to discriminatory, arbitrary and retrospective taxes. A very worrying precedent will be created if the tax gets through the Committee this evening.

5 pm

Why does it matter? I shall deal with the point about the tax being retrospective. When the public, individuals, little old ladies, business men with some money to put aside, people providing for their pensions, institutions that manage the pension funds of millions of people, and foreign investors, who, traditionally, take a favourable view about investing in this country—all sorts of institutions and individuals—applied for shares when the utilities were privatised, they read the prospectuses, which were thoroughly and professionally drafted and written. As far as I know, my old firm had nothing to do with the initial privatisation issues. I can say that without fear of any conflict of interest.

People who subscribed to the shares believed that the essential facts relating to their investment—so far as they could be predicted at the time—and above all the regulatory and political regime within which those companies would exist, had been fairly, adequately, indeed definitively, described in the prospectuses. We now find that that is not true, because another Government have been elected and have said, "No, we are going to change the framework of understanding against which people took the decision to invest in shares,"—whether it was a widow investing £200 or a pension fund investing tens of millions of pounds. "We are now going to change those rules."

This is a very serious matter. It is not something that can be done with impunity. It means that, the next time a Government, of whatever political complexion, offers shares to the public, or for that matter a debt issue, a gilt issue, which Governments do all the time—it is terribly important that the interests of the whole country, of every citizen and taxpayer, irrespective of his or her political views, are considered—the offer of shares or stock will be received by the market on the basis that the political risk attached to subscribing to shares is now much higher in Britain. That is regrettable, because this country always had a favourable, stable climate of investment. Traditionally, it had integrity in these matters because our Governments have had a reputation for straight dealing, not retrospective dealing. That reputation will be damaged today.

The country's interests will be seriously damaged if the windfall tax is passed by the House. For ever more it will be said that the British Government may come forward with a prospectus and say, "The following are the particular terms on which we are prepared to sell shares, and the following is the regulatory and tax climate in which companies will continue to operate in the United Kingdom," but, in practice, a year or two later, another Government may come into office and decide to change retrospectively the rules of the game.

That is happening now. Such an act leads to the de-rating of a country's credit rating. Every issue made by a Government who develop such a reputation, or by a country with Governments who act in such a way, suffers a discount. The price in the form of interest rate that they have to pay when they wish to raise debt is correspondingly higher; the price at which they can sell shares is correspondingly lower. The whole country pays a long-term price for the loss of that credibility and for investor confidence being damaged in that way.

There are hon. Members on both sides of the House with experience of development economics who have been involved with third-world countries, many of which are trying to extract themselves from appalling structural poverty. They will have looked at the various controversies in the academic and political worlds about what characteristics are right for a country to try to develop to help its way out of poverty and what framework is needed to generate wealth.

Everybody who has looked at these matters and at the experience of countries in the third world will recognise that there is an enormous premium to security of investment, to integrity, in generating investor confidence. There is an enormous discount for countries that have in some way damaged their credit standing, that have damaged investor confidence, that have damaged the propensity of overseas investors to invest because they have developed a reputation for retrospective taxation or for placing retrospective burdens on investors.

A retrospective tax is very damaging. It cannot be imposed with impunity. It will not be done with impunity in this country. It is deeply damaging to many of our principles of equity. It is also deeply damaging in a quantifiably economic sense. That is the first thing that I have against the windfall tax. It is the reason the

Committee should think very carefully before we let it through. If we let it through, a precedent will be created and the Government will no doubt consider it an easy way to raise money.

Many of us feel, on the basis of two months' experience, that we have a very irresponsible Government—a Government who brought forward a Budget that directly contradicts the diagnosis of the country's economy in the Red Book. A country run by such a Government obviously has some difficult moments ahead, and there is no doubt whatever that the Government will run into severe budgetary and economic problems.

If the Government feel that they can get away with the easy way out, embarking on some retrospective, arbitrary new tax—they will if we let the tax through this afternoon without maximum protest—further damage will be done to this country, to the investment climate and to the propensity of domestic savers to place their money in privatisation issues, debt issues or any other issue of the British Government. Further damage will be done to the willingness and propensity of overseas investors to come to this country. It is a very serious matter indeed.

I can see that the hon. Member for Workington is trying to intervene. I would be delighted to give way to him.

Mr. Campbell-Savours: I was not seeking to intervene, but the hon. Gentleman invites me.

The hon. Gentleman used the term "precedent". Was not the precedent set in the early 1980s with the banks?

Mr. Davies: We had a very interesting debate yesterday about whether it is a good idea to try to railroad a Finance Bill through the House without giving people outside time to read and digest the text of the Bill, and without giving hon. Members time to consult outsiders—or, indeed, simply to think about the matter themselves and consult their research assistants. We debated whether that was a sensible way in which a modern, sophisticated democracy should allow complex and economically important legislation to be pushed through the House. *[Interruption.]* I am coming to the hon. Gentleman's point; I shall not forget him.

When Conservative Members discussed this matter yesterday, Labour spokesmen could not think of a way to address our serious criticisms on their merits. All they could say was that past Conservative Governments had sometimes guillotined Bills. As a result of yesterday's debate, it became quite clear that in fact there were no exact precedents, and no Conservative Government had railroaded a Finance Bill through the House so rapidly and with so little excuse.

Nevertheless, I accepted then, and do so again now, that it was unfortunate that some Conservative Governments, possibly without waiting to see what would happen when we got into detailed discussion of a complex Bill—for example, a Finance Bill—in Committee, had by way of anticipation introduced a timetable motion. I said that that was a mistake. It was a mistake in itself and it was a mistake because it created a bad precedent. Here we have the Government taking that bad precedent further.

I make no apology for the tax on banks to which the hon. Member for Workington referred. I was not in the House at the time. Had I been, I am not at all sure whether I would have supported it. As I was not, it would be hypocritical to say whether I would or would not because we do not know what I would have done. However, for years before I came into the House I have held to the strong belief that retrospective legislation is obnoxious and that retrospective taxation is particularly obnoxious and damaging.

It is an extraordinary indictment of the moral confidence of the new Labour Government, elected with this enormous majority, that the best way in which they can justify their actions is to say that the Tories did almost as badly, because none of the precedents is quite up to the measure of what they now propose.

If the Government were confident of their mission to bring some good to Britain which previous Administrations had failed to do, they would be the last to mention Conservative precedents, except, possibly, as an example of something on which they wished to improve. Instead, the Labour Government are incapable of justifying on their merits the serious measures that they are introducing—yesterday, guillotining the Finance Bill before it had even started, treating the House of Commons and its procedures with considerable contempt, and today introducing a windfall tax with all those elements of retrospectivity and arbitrariness to which I have already referred.

Mr. Campbell-Savours: I am fascinated by the way in which the hon. Gentleman dissociates himself from Conservative history. Was not there a levy on the gas companies in the mid-1980s? Do not I remember some Budget measure to do with some levy being imposed on the gas industry?

Mr. Davies: I have no memory of any such thing, and I do not believe that any such thing took place during my time in the House. I know the hon. Gentleman well and I have a high regard for him as a parliamentarian, but I have much less regard for him as a historian as a result of the clanger that he dropped earlier, to which I drew attention at the time in an intervention which he graciously allowed me to make during his speech.

Therefore, I have little confidence that that suggested levy is anything other than a figment of his imagination—a hard-pressed imagination, I suspect, because I sense the embarrassment among Labour Members as I say, frankly, that it is not good enough to come before the House and justify otherwise unjustifiable measures on the basis that one's opponents did almost as badly in the past. A Government who had any kind of self-respect would wish to justify their measures on their merits, and that they have spectacularly failed to do.

I now return to some of the important aspects of clause 1 on which I touched earlier—its arbitrariness and unfairness. The windfall tax will impact on the current generation of shareholders, not on the generation of shareholders who supposedly—supposedly—enjoyed the putative windfall gains described in the Bill.

That point has been commented on already. It is clear that anyone who bought into the companies subsequently, without realising that the Labour party planned a windfall levy, will have suffered considerably, and those shareholders who sold out before the imposition of the windfall tax, or before the markets began to discount its likely imposition, will not have suffered at all.

5.15 pm

Let us consider the specific human reality behind this. Who are the shareholders who, for the most part, have been the most loyal and longest-term shareholders? I should say straight away for the avoidance of any doubt that to a small degree I am one of them. I applied in my name and those of my children for a number of these privatisation issues. I thoroughly disagree with the hon. Member for Workington: the privatisation of those companies was a brilliant idea. The great success of those companies since privatisation and their emergence in many cases as multinationals with an international position in their sectors, thoroughly justifies that.

The statistics produced by the stock exchange bear out my experience that the shareholders who have been most loyal to those companies, the longest-term shareholders, have been the small shareholders, many on small and below average incomes, who applied for a few hundred pounds worth of shares way back in the late 1980s or early 1990s when the companies were privatised. They are the shareholders who tended to hold on to their shares and they will now suffer from the retrospective levy. They will be the losers from the windfall tax.

It is fair comment, on the basis of anyone's experience of the financial markets, that on the whole the smaller the holding, and probably the less sophisticated the investor, the lower the rate of turnover in the portfolio. In many cases, small shareholders do not have a portfolio. They have one or two shareholdings to which they stick. They do not churn their portfolios every week or month. They do not get up in the morning and look at their Reuters screen or their Topic screen and decide to buy or sell such and such a share, switch between deutschmark and yen or hedge their position by selling the index, or something of that kind. It is the sophisticated shareholders who do that. It is unlikely that they would have a single shareholding in their portfolios for six, seven or eight years. Such shareholders have most probably sold out. Few of them will have exactly the same shares that they bought at an initial flotation.

The extraordinary effect of this most unpleasant levy—unpleasant because it is retrospective and arbitrary—has been to impact on the small shareholder. We all have in our constituencies small shareholders, often people who have been investing for their retirement or retired people, pensioners with just a few hundred pounds in privatisation shares, who have held the shares from the beginning who now find that they are suffering. In contrast, the sophisticated professional investor got out a long time ago and can wave goodbye to the windfall tax. That is a pretty perverse and unpleasant consequence of the tax. It may not have occurred to the Labour Government, but if it has I hope that it is a consideration that will stick in their gullets.

My hon. Friend the Member for East Yorkshire (Mr. Townend) referred to another perverse aspect of the windfall tax: the discriminatory effect not just between one class of shareholder and another but between one company and another. I listened with great attention to my hon. Friend's speech. He had obviously done a lot of homework, because he quoted facts and figures about the sales and profits and market capitalisations of Yorkshire Electricity and East Midlands Electricity during the relevant period.

Anyone with even a passing acquaintance with those companies knows that there was a considerable contrast, in that East Midlands Electricity engaged in a diversification programme, going into activities that were not regulated, not in any sense monopolistic activities or activities which could possibly be justified as being targeted by a windfall levy, and it got it wrong, while Yorkshire Electricity on the whole got it right. That is an extraordinary state of affairs, because we now find that the tax will penalise those who got it right, and will let off, in relative terms, much more lightly those who got it wrong.

Here we are back to the old socialist principles that have been around ever since the Labour party existed—clobber success and reward failure. What kind of a principle is that? It is a principle, in the name of redistribution or in the name of God knows what, which can lead only to the progressive decline of the economy. People will be deterred from making a higher risk, higher reward investment, because if they get it right they will lose the proceeds through a discriminatory and retrospective tax—which the windfall levy undoubtedly is—and if they get it wrong they will lose their money anyway. So why invest, and why take any risk?

Any economy that applies that appalling principle will pay a high price. We paid a high price when the Labour party was previously in power. The Labour party in the 1970s ran the economy on the principle that the successful should be penalised and punished and the weak should subsidised. We recall those dreadful subsidies for loss-making nationalised industries. That formula produced, in aggregate, an increasingly weak British economy across the board. We paid a high price then, and that principle is again being applied in the proposed windfall tax. That tax will be a severe impediment to companies that have done an extraordinarily good job for the British economy. Its economic consequences are of considerable concern.

I make no apology for dealing with some of the human and philosophical aspects of this matter, including the precedent effect of the tax. I do not believe that man lives by bread alone: economics is not everything. It is right to consider first issues of principle and the impact on the lives of human beings. The impact on people's savings has an effect on their sense of independence and security, particularly in old age.

Nevertheless, we must consider the economic consequences. Here is another classic illusion in Labour thinking. They seem to believe that they have discovered two invisible taxes. They are taxes in that they raise revenue, but are not taxes in that they do not do any economic damage. The Labour party believes that they do not do any political damage either. Those two measures are the abolition of dividend tax credits and the imposition of a windfall tax.

No doubt the Government have congratulated themselves by saying, "Isn't this extremely clever of us? We have found the touchstone that turns everything to gold. We have found the holy grail. We have found a form of tax that does not damage the economy or our political standing." They are completely wrong about that. There is no such thing as a tax that does no damage to individuals or to the economy. Any Government proposing to levy any form of tax should consider carefully what damage it does and try to target it so that the damage is minimised.

We cannot accept this thoroughly dishonest attempt to pretend that some taxes do no economic damage and can be levied with impunity on the British public and on the British economy. The windfall tax will damage the British economy because it will damage the privatised utilities. They are now extremely successful companies, whereas when they were nationalised many of them had to be subsidised and almost all of them were under-invested and showed up badly in international league tables of productivity, profitability, environmental standards and consumer service.

Sir Alan, you and I are old enough to recall the days when utilities were nationalised and the tremendous difficulties we had getting a telephone or a gas pipe repaired. Their service was bad, but they are now astonishingly successful. British Telecom has become one of the leading telecommunications companies in the world. British Gas has become a major player in the world, and our electricity generators have become major players and investors in many parts of the world.

It is a proud record. The considerable price reductions—up to 40 per cent.—are an extraordinary example of productivity gains being passed to the consumer. That could happen only in a privatised system. In a producer-oriented, nationalised economy, productivity gains are not made available to the consumer.

Productivity gains have been passed to the consumer, and there have been enormous improvements in service. Many companies have made enormous international investments, so they have a stream of international earnings. That is a great advantage to them, because it reduces the volatility of their earnings, and to the country, because it contributes to our overseas earnings.

We are now singling out those companies for a windfall tax. If a company's after-tax profits are reduced, the propensity of that company to invest is also reduced. The Paymaster General, who was bold enough—perhaps thoughtless enough—to put his name to the tax and to come and defend it at the Dispatch Box, ran a distinguished British manufacturing company. He is looking askance, and does not want to look me in the eye. He knows perfectly well that, if the return from prospective investment is reduced, the propensity to invest is also reduced. If he wants to argue with that fundamental principle of economics and financial theory I should be delighted to give way to him. He is looking at his tie or at his feet. He is looking away from me, because he does not want to intervene. He knows that he cannot quarrel with that point.

Mr. Nicholas Soames (Mid–Sussex): Does my hon. Friend agree with me that the Paymaster General, who has a distinguished record in business—he is a shrewd and capable business man—would not have taken kindly to Jaguar being subject to a windfall tax?

Mr. Davies: The hon. Gentleman would have been failing in his fiduciary responsibility to his company, its shareholders and employees who depended on him if he had not fought like a cat against the imposition of such an arbitrary, obnoxious and unjustifiable levy.

Despite our provocation, the hon. Gentleman is looking into outer space and is determined not to respond to our comments. He feels guilty, so he will not take issue with us on the principles of economics or financial theory. He will not rewrite the textbooks, because he knows perfectly well that, if the prospective after-tax profit from any investment is reduced, the propensity to invest will be reduced. To justify any investment, the prospective yield will have to increase. Less investment will be undertaken, so there will be less growth and less employment generation in those companies in the future.

Those companies have risen like the phoenix from the ashes of the nationalised economy that we inherited in 1979. They have flown proudly like eagles around the world. They have made major strategic investments in North America, in the former Soviet Union and in the rest of the single market. That is an impressive record.

Sooner or later, any company that is successful under this socialist regime will be penalised. The privatised utilities are to be penalised for their pains because of their disproportionate contribution to the national wealth and their contribution to the technological, environmental and productivity gains in their own sector. Their contribution should justify some reward and recognition, but it is being met with an invidious penalty in the form of a windfall tax. They will have to reduce their investment plans and their potential growth prospects will be blighted. Their capacity to generate employment in those important industries will be significantly reduced.

We are told that the money will fund a welfare-to-work programme. Make no mistake about it: that shows that the concept of new Labour is a complete fallacy. There is no "new" about it; it is old Labour—old socialism. We had to fight it in the 1970s and, indeed, in the 1940s. We had to fight it in order to lay the basis of the successful economy that we now have, which has been so threatened by events on 1 May.

Money is being taken. In this instance it is being taken in a particularly invidious, discriminatory and retrospective fashion from successful companies. The levy will reduce job creation in those companies; it will reduce viable, sustainable, productive employment in internationally competitive firms. The money raised—after, no doubt, a good many administrative costs have been subtracted from it—will be used to try to generate artificial jobs through subsidies elsewhere. Viable, sustainable jobs will be removed and replaced by jobs that can survive only as long as the subsidies continue. A necessary mathematical consequence of such a policy—as surely as night follows day—will be a reduction in average productivity throughout the economy.

5.30 pm

This is a sad day for the economy. We are not talking about small amounts of money. A significant precedent is being created—a precedent that will be regretted, not merely by those who work, aspire to work or might have hoped for attractive careers in the successful industries involved. Many of those industries are technology-intensive and many are at the frontiers of environmentally friendly business and therefore have much to offer similar sectors of activity around the world. Jobs and prospects will be removed and replaced by the prospect of subsidised jobs elsewhere in the economy. It is an extremely bad deal.

[Mr. Davies]

I happily give way to my hon. Friend.

Mr. Soames: I do not wish to intervene. I am listening to my hon. Friend's speech.

Mr. Davies: I am sorry. I must have misunderstood my hon. Friend's hand gestures.

We have heard many interesting speeches from hon. Members on both sides of the Committee but, during my speech and those of other Conservative Members, what has been notable is the silence of Ministers. They just sit there and listen to Conservative Members making what would, if they were not telling the truth, be deeply shocking allegations. We are saying, "Here we have a Government who are arbitrary, unfair and devoid of any sense of justice, introducing retrospective legislation and taxes that will damage the British economy." We can say all that without the slightest fear of contradiction, because Ministers clearly have no arguments to advance.

Mr. Geraint Davies *rose—*

Mr. Davies: I see a Labour Back Bencher gallantly rising to assist Ministers, but I think that my point has been made.

This is a bad day for the House of Commons, because a Finance Bill is being railroaded through. It is a bad day for tax law, because, if the Government carry the Division at 7 pm—as I fear they will—a sad precedent will be created: a retrospective levy will be imposed on taxpayers. It is an extremely bad day for some very successful industries, which, if we had a rational, responsible Government who cared about our economic future, would receive accolades for the success that they have achieved since privatisation. All that this socialist Government can do—I use the word "socialist" advisedly, because that is exactly the character that the Government's legislation displays—is say, "Ah, someone is successful, someone is making money, so we are going to grab it and take it away."

Mr. Ross Cranston (Dudley, North): I am sorry that I was not present at the beginning of the debate, and especially sorry that I was not present when the shadow Chancellor opened for the Opposition. My hon. Friend the Member for Dudley, South (Mr. Pearson) and I were attending on our right hon. Friend the Home Secretary. One of my hon. Friend's constituents was presenting a petition to our right hon. Friend, who, as a result, has persuaded the West Midlands police to increase the number of policemen on the beat in Dudley. We are very thankful for that.

Let me begin by talking about the use to which the money raised from the tax will be put. It will be used primarily for the welfare-to-work programme. Some of my hon. Friends have eloquently described the justification for the tax—the new deal for young people—and the tragedy afflicting many of those young people, who have no hope and no jobs to go to. I was surprised when the hon. Member for Gordon (Mr. Bruce), opening for the Liberal Democrats, said that we should divorce the tax from the expenditure that might result from it. I had understood that the Liberal Democrats were keen on hypothecation, and I see an analogy between that and our attempt to use the windfall tax to give opportunities to young people.

Mr. Malcolm Bruce: Just for the record, what I said was that spending the money raised from a tax on good services did not make it a good tax if it was a bad tax to start with.

Mr. Cranston: The hon. Gentleman still does not appreciate that the use of moneys can sometimes justify the tax from which they are raised. I shall say more about that in a moment, but I want to concentrate on the details of the windfall tax itself rather than on the use to which the money will be put.

As the Bill makes clear, this is a one-off tax on the excessive profits of privatised utilities—although Opposition Members have raised the possibility of further one-off taxes. There is no doubt that the appalling behaviour of those at the top of some of those utilities bolstered our case for the tax, but there were three principal justifications for it.

First, there was the undervaluation of the assets at the time of privatisation: that is why the formula referred to in the Bill mentions the price placed on the utilities at the time of sale. Secondly, many of the companies continued, and continue, to be monopolistic suppliers of essential services. That is why the Bill identifies the industries that will be subject to the tax in terms of economic regulation.

Thirdly, the original price controls set by the Conservative party on privatisation were excessively generous. There is no doubt that the companies made excessive profits: nearly every privatisation on which the Public Accounts Committee reported was said by the PAC to have involved excessive profits—and those profits were, of course, at the expense of consumers. The Bill identifies those justifications, which provide the case for the windfall tax.

The formula in the schedule looks to the value placed on the companies at the time of sale and then to the average annual post-tax profits for four years following privatisation. Conservative Members have said a great deal about unfairness. We have heard about the retrospective nature of the tax. As my hon. Friend the Member for Workington (Mr. Campbell-Savours) correctly pointed out, the Conservative party imposed retrospective taxes. The best example is the 1981 windfall tax on the banks.

It is said that the windfall tax is arbitrary and discriminatory. As hon. Members know, taxes are often attacked on that basis. When progressive income tax was first introduced, it was said to be arbitrary and discriminatory. Some Conservative Members may still take that view—I do not know. I am prepared to allow them to intervene if they want to justify that approach. The same was said about inheritance tax.

Mr. Shaun Woodward (Witney): Will the hon. Gentleman explain the parallels he sees with the 1981 legislation on bank deposits?

Mr. Cranston: The hon. Gentleman has missed the point. The point that I was making was about retrospective taxes, and there is an example of the Conservative party imposing such taxes.

Mr. Woodward: Will the hon. Gentleman explain in what way the 1981 bank deposits legislation was

retrospective, as my recollection is that it imposed a levy on the banks' very large profits at that time, based on changes that we had made to monetary policy? Perhaps the hon. Gentleman would like to elucidate and explain his comparisons and the retrospective nature of that legislation.

Mr. Cranston: I do not want to be diverted from my main argument by the hon. Member for Wigan.

Mr. Woodward: Wigan?

The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin): Order. The hon. Gentleman will not intervene in that manner.

Mr. Cranston: I apologise for misnaming the hon. Gentleman's constituency. The point is that that legislation was retrospective in effect.

Conservative Members have raised various points about the unfairness of the tax. They have said that it is unfair to some utilities rather than to others. The regional electricity company in my area has put that argument to me. It has pointed out that other such companies have engaged in expensive diversifications. Money was wasted, but the effect is that the company's profits are higher than those of the companies that diversified. The Institute for Fiscal Studies made the point, which was repeated by Conservative Members, that many of the people who gained immediately after the privatisation have moved on, and that is true, but Conservative Members have to take into account that, in imposing a tax, there is a need for simplicity.

In tax law, there is always a tension between simplicity and producing absolute fairness. The Government have rightly taken the approach of a simple formula, as set out in the schedule. Any other approach would open opportunities for avoidance. In this morning's *Financial Times*, the former tax adviser to the right hon. and learned Member for Rushcliffe (Mr. Clarke) makes this point:

"Successively more complex sets of rules have been created, which in turn provide opportunities for exploitation. A simpler tax system, with fewer reliefs, exemptions and discontinuities would, in the long term, frustrate most of the tax avoiders' ploys."

The Government have taken the view that the simple formula is the right approach, and I agree.

5.45 pm

Having listened to the contribution of the hon. Member for Grantham and Stamford (Mr. Davies) to the debate, one would think that the sky had fallen in. There is much hyperbole. He said that there had been a decline in the economy. I am not sure that anyone else has seen that. The fact is that the windfall tax is water under the bridge. It is a popular tax. Its imposition has been legitimised by the country as a whole. The movement in utility share prices demonstrates that the utilities accept the tax as a fact of life. Frankly, it is not as high as was expected. Most important, uncertainty—inasmuch as there was uncertainty—about its impact has been removed. As we predicted, balance sheets are strong enough to cope with the tax. Informed commentary is that it will generally not have an impact on future dividend plans.

My right hon. Friend the Chancellor of the Exchequer has said that the tax should not have an impact on prices, and that must be the case: consumers must not suffer twice round. I made that point on Second Reading and I reiterate it. I hope that the steps taken by my right hon. Friend the President of the Board of Trade will ensure that the tax does not lead to price increases for consumers.

Conservative Members have generated much hot air. There is much hyperbole. The tax is legitimate, and I support its introduction.

Mr. Mike Hancock (Portsmouth, South): I am delighted to be given the opportunity to contribute to the debate. Like the hon. Member for Workington (Mr. Campbell–Savours), who has unfortunately left the Chamber, I had not intended to speak, but I was prompted to do so by some of the things that he said, particularly in relation to the way in which the windfall tax would be spent. I hope to devote some time, as he did, to the benefits that Labour says people in all the constituencies of the United Kingdom will enjoy from the windfall tax.

My hon. Friend the Member for Gordon (Mr. Bruce) spelled out the issues concerning the tax itself and why we do not support it. The way in which the tax has unleashed expectations that will never be fully realised is another issue. Over the past couple of years, I have looked on at debates in this place. Once the Labour party had confirmed the policy that it would go for a windfall tax, I was surprised by two or three major things.

First, I was surprised that the then Conservative Chancellor of the Exchequer did not grab the money with both hands in his last Budget and attempt to use it, as Tories have traditionally done, in local government at least, to buy the Tories out of a political hole just before an election. In the past, they have raided whatever balances they have had and used whatever money was at their disposal to buy votes, but he chose not to do that. That other thing that surprised me and, I am sure, many of the people I represent in Portsmouth, South, was that the money was still there. Companies had not made greater efforts to dispose of it, as most reasonable people would have imagined they would. It was there to reinvest and reduce the high charges for their services.

The overwhelming majority of people have embraced the tax because most think that they were ripped off in the first place when the companies were sold. The companies were sold at hopelessly undervalued prices at a time when most people felt that the companies were better and safer in the hands of the public sector. The legitimacy of the tax among the general public is that they feel that they are getting back what they should have had in the first place. But most people are not privy to the debate about who is to pay.

Mr. Tim Loughton (East Worthing and Shoreham): I am intrigued by the hon. Gentleman's point, because the whole point of our opposition to the tax is that there is no pot of gold in these companies. Having spoken to my local utility company, I can say that the result of the tax will not be the company writing a big cheque from its surplus cash, but that it will borrow an increasingly large amount of money. That will have an impact on the regulatory formula, which will determine the pricing for consumers and comes up in 2000. Is the hon. Gentleman making the same mistake as Labour Members in believing that there is a pot of gold from past excess profits in the

[Mr. Tim Loughton]

utilities, when in fact the money has been reinvested? Does he accept that companies will have to increase their borrowings to pay this large and discriminatory tax?

Mr. Hancock: The squeal of anguish from the privatised utility companies has been about as loud as the engine purr of a Jaguar when it is switched on for the first time—very muted indeed. There was a ready acceptance on the part of the privatised companies that the tax would be introduced and that they were able to afford it. But that does not make it right, and that is why my hon. Friend the Member for Gordon made his telling point.

There will be claims that manifestations of great goodness will come from this tax, and that the welfare-to-work programme will deliver measures which will be welcomed by a lot of people. That relates to my point about creating expectations which cannot be achieved. I represented Portsmouth, South 10 years ago at the height of the Thatcher Government. I lost count of the number of times that the young people of Portsmouth, South and the country were offered golden opportunities to get retraining, a longer stay in education or a chance to get back to work.

The programmes changed virtually monthly, yet few people succeeded in getting back into long-term employment. The regularity of the changes bewildered the young people concerned, and the depression which many of them felt deepened as they struggled to find a job. That depression is there today. Very few of us will not have experienced the pain and anger of a generation of young people who have left school, or are about to do so, and face a bleak future.

Many young people have grasped enthusiastically what was said before and during the election—and in the months since—as something that will offer them salvation, and the welfare-to-work programme might, in the short term, solve the problems of that group. Some, if not all, may get the job they desperately need. But the windfall tax is not a visionary tax to fund a programme to deliver opportunities for the length of this Parliament. Such a system would mean that those young people coming on-stream in five years' time would be the beneficiaries of some of the measures.

Most reasonable people do not believe the Chancellor's comments about where the on-going money will materialise from, and one would have to be a super-optimist to believe him. He believes that people who are currently unemployed will be retrained, gain employment, generate tax and come off benefits to clear a path for the next generation. But the figures do not add up. The rhetoric is similar to that of the 1980s about promises of good things to come.

I was heartened by the contribution of the hon. Member for Bolsover (Mr. Skinner) to yesterday's debate, and I am disappointed that he is not here now. He made a gallant attempt to put the socialist view. It was like "The Agony and The Ecstasy". The shadow Leader of the House said how outraged she was and how nervous her Tory colleagues were at the thought that there would be a guillotine. The hon. Member for Bolsover rightly said that we had had guillotine after guillotine for 18 years. He reminded me of the Lone Ranger, firing silver bullets of socialism, but unfortunately none of the braves in his tribe was ready to jump up and be his faithful Indian partner, Tonto. He made enough offers, but they distanced themselves from him.

The hon. Member for Bolsover referred to people's expectations, and what had happened in the past. We must be careful not to believe that the windfall tax is the solution to the problems of many people, particularly young people. In their hearts of hearts, most young people do not believe that. They have an in-built cynicism, created by years and years of broken promises by successive Tory Ministers. I hope that they are proved wrong in that respect and that there is long-term substance to the proposal.

Mr. Christopher Leslie (Shipley): Does the hon. Gentleman support welfare to work as a principle? If so, does he believe that it should be paid for by his party's stretched-out 1p on tax?

Mr. Hancock: I support welfare to work enthusiastically and wholeheartedly in the hope that hon. Members who vote for it for one year will share my conviction that it should be a five, 10 or 15-year programme. Welfare to work must have the consistency that far exceeds the expectations of the windfall tax. It must be deliverable to the next generation of young people, but, sadly, that does not seem to be the case.

I wish to talk briefly about the companies themselves. I feel that people will be paying twice. They paid first when the public assets were undersold, when people were deprived of a public asset on the cheap. The tax is seen to be a way of getting back at those who got rich quick on the back of privatisation. But my hon. Friend the Member for Gordon and others have explained that it will not be the fat cats earning £350,000 a year who will pay, but those who pay for the services provided by the companies and the pension funds which derive their incomes and their ability to pay enhanced pensions from the companies. The people we represent will pay twice.

There is a suggestion that everything in the private companies is wonderful and that there is no complaint about them. That is not right. Most of us receive complaints weekly, if not daily, about the various companies which make up the group to be taxed—gas, electricity, telephone and water companies. All of them materialise in reality for the people we represent as major obstacles to a decent life. They have problems with all of them. Many of the problems are associated with paying the high cost of using the service. The cost could and should have been greatly reduced if the amounts of money that are being talked about were genuinely available.

The windfall tax is a gimmick.

Mr. Campbell-Savours: Is £5 billion a gimmick?

Mr. Hancock: It is a very nice gimmick. If one is going to introduce a gimmick, one may as well introduce one that brings in £5 billion and use the money, rightly, for things that will do some good. However, we believe that the Government should have taxed in a way that offered opportunity for the long term rather than grasping something that would provide short-term gain and hoodwinking people into believing that a long-term solution was being offered.

6 pm

Mr. Stevenson: Like the hon. Member for Portsmouth, South (Mr. Hancock), I did not intend to speak in this debate. I have been goaded into speaking by a speech from the do-nothing Liberals. I heard justification of the windfall tax, and, from the hon. Member for Portsmouth, South, references to benefits and to the failures of previous training and work schemes. We all share the criticisms of such schemes, but I did not hear anything positive from the hon. Gentleman as to what we should do.

It is perfectly legitimate for any right hon. or hon. Member to disagree with another, but to criticise the windfall tax simply out of concern about the previous Government's schemes and to say that, by some magical formula, it is unfair, is to miss the point altogether.

I asked the Library to do some research on the difference between the proceeds from privatisation of the utilities, not including the railways, and their stock market share price the minute they were floated. I asked the Library to tot up the difference. It was almost £6 billion at the outset of privatisation and it has increased over the years. So the snapshot figure of £6 billion by which the Government undersold public assets, and therefore robbed the public, is a conservative estimate.

The proposals of my right hon. Friend the Chancellor for a windfall tax are justified by what the Government intend to do with the money, which is to put young people back to work and spend £1.3 billion extra on education. What is interesting, in view of the way in which the Liberal Democrats approached the election, is that, although I listened carefully to what the hon. Gentleman had to say, I did not hear any reference to the extra £1.3 billion for education.

Mr. David Heath (Somerton and Frome): The claims of the Labour party on education leave a sour taste in the mouth of my constituents in Somerset, who face this week capping proposals which will rob them of 90 teachers and increase class sizes across the county. Is that what the Labour party means by making education its priority?

Mr. Stevenson: I am certain that the hon. Gentleman will reflect on the speech of the hon. Member for Portsmouth, South and say to his constituents, who may have a sour taste in their mouths, that the do-nothing option suggested by his hon. Friend will make that sour taste even worse. That is the kernel of the argument.

The public purse was robbed of at least £6 billion. That figure can be multiplied for the years since privatisation. I am sure that the hon. Member for Gordon (Mr. Bruce), for whom I have the greatest respect, knows that that is the case. The figure of £6 billion is a conservative estimate of what was lost to the general public and the infrastructure of the country as a result of the obscene privatisation policy of the Conservative party. The question is, what does one do about that loss?

I find it remarkable that the Liberals oppose the windfall tax, but that is their decision. Apparently the Conservatives and the Liberals believe that the answer is that one should do nothing. We should just let the thing go along and let the privatised utilities continue to do what they want. South Western Electricity is alleged to have transferred some of its money to the United States so that it will not have to take account of the measure. I find such a policy, and I believe that the country will find it, a policy of despair.

We know full well why the Conservatives oppose the windfall tax. They are ideologically opposed to it. They believe that the market should determine everything. They have swallowed hook, line and sinker the policy that says that public is bad and private is good so everything in the private sector should be maintained, even if the public at large are swindled of billions of pounds, as they have been in the past 10 years or so.

Mr. Loughton: When the hon. Gentleman asked the Library to make a detailed analysis on the basis that the public had been robbed and swindled, did he also ask for an analysis of the compensating figures in terms of the reduction in the price of services provided by utilities that every using member of the public has enjoyed as a result of the privatisations about which the hon. Gentleman is now rather upset?

Mr. Stevenson: That is a fair question. There have been significant price increases in many utilities, especially water. I am interested, as I am sure the hon. Gentleman is, in the criticism that has at last come from Ofwat of the water industry for failing to meet its commitments on investment.

We need to consider the principle. There is no doubt that billions of pounds of public assets have been transferred to the private sector at a very knock-down price.

Mr. Loughton: Will the hon. Gentleman give way?

Mr. Stevenson: I shall give way again later, but let me make some further points. The windfall tax is perfectly justified, and I shall discuss what the Government intend to do with the money from that tax.

The Conservatives' arguments about the windfall tax are more to do with protecting the companies that have benefited from privatisation. They place little emphasis on the Government's objective of using the money to begin to put people back to work. I accept that there are risks and unknowns, but I believe that they are worth taking on if we can provide an opportunity for a quarter of a million young people under 25 years of age.

If the Government succeed, as I believe they will, in their endeavour, it will be one of the most tremendous acts implemented by a Government for a generation; but we must be conscious of the risks. My right hon. and hon. Friends are conscious of them and determined to overcome them. They therefore deserve the Committee's support. I hope that they will get it, because of two principles: first, the tax is fair when considered overall; secondly, it will be put to a purpose that I defy any hon. Member to argue against.

Mr. Woodward: Clause 1, like much of the Budget, is iniquitous, inefficient and—I am afraid that I cannot agree with the hon. Member for Stoke-on-Trent, South (Mr. Stevenson)—anything but fair. The only certainty is that it will create uncertainty. It proves, first and foremost, that Labour's first instinct is always to tax, and to raise taxes again and again.

The Government believe that the tax will be palatable to the electorate because it will hit fat-cat companies. I agree that it is an advance on Labour's former tactics

[Mr. Woodward]

of directly soaking the rich, although at least under old Labour, we could all see what they were up to. Then, there was transparency and their policy was economically coherent even though it was wrong; now, it is still wrong but it is totally incoherent. Have no doubt, this tax will hit consumers, especially the most vulnerable, and all householders will pay for it in their bills. Some people will pay for it with their jobs when they are laid off. Undoubtedly, it will reduce the capacity of companies for investment.

Hon. Members may wish to refer to the propaganda booklet called "The Pocket Budget" that Labour handed out with its Budget last week. It is a nice little booklet with a couple of pictures on the front. It is glossy, terribly well produced—the sort of thing that one would expect to have been produced by Walworth road, although I understand that Walworth road did not fund it. The booklet's pages are not numbered, but towards the back there is a section called, "Moving Towards a Fairer Tax System", which states:

"We need taxes to pay for our public services. The Government believes the tax system should:

encourage work . . . promote savings and investment . . . be fair . . . be seen to be fair."

How does all that motherhood and apple pie rhetoric sit with the reality of the windfall tax? The tax will not encourage work or promote savings and investment. It is not fair and, with time, it will be seen not to be fair. The whole windfall idea is another clever piece of rhetoric from Labour's spin doctors. There is no such thing as a windfall tax or a free tax; this is a tax, pure and simple. It is a tax on success, on profits, on incentives to create wealth and, ultimately, on jobs.

I would like to remind hon. Members of what Adam Smith had to say about taxation. [HON. MEMBERS: "Oh!"] Labour Members may enjoy it. They may have to consider for the first time the consequences of taxation. Adam Smith thought that taxation should be efficient, equitable, certain and convenient. The only thing that we can be sure of with Labour Members is that it will be convenient, or more appropriately, opportunist.

If a tax is to be efficient, its goal must be to raise revenue with as little distortion of economic behaviour as possible. Labour Members may not like listening to economic literacy, which is a bit of a problem for them. I invite them to consider that proposition, because it presupposes that the windfall tax is a one-off tax. Is such a claim credible? What certainty is there that these, or other, companies will not find themselves on the end of yet another Labour windfall tax? Companies that may be privatised have cause to fear that a future Labour Government—God forbid that there should be one—may decide that the best way to raise yet more money for them to spend would be through yet another windfall tax.

6.15 pm

I am sorry that the Financial Secretary is not here, but yesterday she made much of the importance of certainty. She said:

"I am sure that the right hon. Gentleman will agree that what is important is certainty, and that the taxpayer knows what the tax legislation is."—[*Official Report*, 14 July 1997; Vol. 298, c. 26.]

Any one-off tax increases uncertainty about the tax system. If she were here, it would interesting to hear from her what certainty there can be for companies that are privatised in future. I submit that there can be none.

Is the tax fair and equitable? No, because it falls on current shareholders, many of whom did not make excess profits having bought their shares more recently. Those who made so-called excess profits have sold their shares and so will escape Labour's punitive tax plans.

What of certainty? For the taxpayer, certainty involves carrying out economic activity under a predictable tax regime. The only people who were able to work with certainty were the *Financial Times* journalists who were given information about the advance corporation tax changes the night before the Budget. The Government behave in the most arbitrary, high-handed and arrogant way. Acting arbitrarily is the hallmark of this Government and of the Labour party.

The Financial Secretary is still not here, but I ask her to confirm what the Chancellor said on 2 July, when he stated:

"the tax can be paid without any impact on prices, investment, or the quality of service to customers; or, in my view, on employment."—[*Official Report*, 2 July 1997; Vol. 297, c. 314.]

Can she guarantee that there will be no change to quality of service and no impact on prices, investment or jobs? If there is, would she be happy to accept responsibility for those changes and the implications for her job?

The motive behind the tax is based on an old Labour instinct: the desire to tax any way that it can. When we came to power in 1979, the first question that we asked was how we could create wealth. The first question that Labour asked, which is why it is the first clause, was how it could tax wealth. Conservatives create real jobs from real wealth; Labour creates phoney jobs from taxing wealth.

Back in 1993, Labour spotted the opportunity of the windfall tax. The Chancellor gave a speech at the Institute of Chartered Engineers proposing that privatised utilities be charged what he then called a one-off public dividend on their "excess recession profits". What a thought. It is worth noting that the electricity industry alone in the past two years has raised £4 billion in taxes. The day after his speech, *The Times* reported:

"The amount raised by the windfall tax would be negotiated with the regulators and the utility companies, but would be expected to raise at least £1 billion."

The opportunity to raise £1 billion of lucre was irresistible to a Labour Government, and so it has grown: not £1 billion, £2 billion, £3 billion or £4 billion, but £5 billion. What a bonanza, what a prize. Did the Government consider how those profits had been earned, or the efficiency gains made by the companies since privatisation? No. Did they examine the disastrous way in which the companies had been run before privatisation? No. Is it not interesting that the Labour party does not much like talking about the times when those companies were in state ownership? Who put them into state ownership?

This Labour Government are careless, tax-driven and opportunistic, but the opportunism is highly dangerous. Those companies were privatised in good faith, yet Labour has broken that faith. Shareholders invested on the basis of market rules, but the new Labour Government are riding roughshod through any of those rules.

The state should be party to contracts with business and individuals. As the *Financial Times* reported in September 1995, in a leader appropriately entitled, "Windfall tax deception":

"The windfall tax introduces uncertainty into that contract and as such abuses the power of the state."

How right it was to predict that a future Labour Government would abuse the power of the state.

Let us clear up some of the doubts expressed by Labour Members, who have justified the windfall tax by stating that we did the same in 1981 when we imposed the special bank tax on bank deposits. Our tight monetary policy of that time caused high interest rates, and deposits held on current accounts in 1981 with banks did not pay any interest. The banks made very high profits, as a result of the specific monetary policy then followed.

That is why we raised a levy of 2.5 per cent. on non-interest bearing sterling deposits. That tax applied to a well-defined set of firms, according to a tax base coherently related to the reasons given for its introduction. It was introduced at the same time as when the banks were making those profits, and not years later.

In summary, the windfall tax introduced in clause 1 is wholly iniquitous. It has no foundation and no proper precedent; it is inefficient; and it is motivated by Labour's old desire to tax rather than to create any wealth.

Mr. Stevenson: The hon. Gentleman has referred to how much profit was made and how much tax was paid. Would he care to comment on the fact that, since privatisation, Severn Trent Water has not paid a single penny in mainstream corporation tax?

Mr. Woodward: I would be more than happy to comment on that. One must look at the successes of the water companies since privatisation. *[Interruption.]* It is interesting to note that Labour Members are not interested in the opportunities created by privatisation. What is really interesting about those hon. Members is that they cannot bear to hear about success. The only thing they want to hear about is how they can tax, how they can screw money out of companies until the pips squeak. In the past, they went for individuals; now they are going for companies.

Those hon. Members will sadly discover in the years to come that, at the end of the day, there is no such thing as hitting companies with tax. It is individuals who will be caught by that, and it is those people who will come back in a few years time to haunt the Labour Government.

Lorna Fitzsimons: I find it absolutely amazing to hear the hon. Member for Witney (Mr. Woodward) try to give us a basic lesson in economics and economic literacy. That makes me think about some young people I have spoken to about the potential offered to them by the windfall tax. The words used so passionately by the hon. Gentleman about that tax being not fair sound like those of the playground.

The hon. Gentleman may talk about equity and sustainability, but consider the economic literacy espoused by your Government in past 18 years and the human wastage of unemployment. In my constituency, 34 per cent. of under-25-year-olds are unemployed and a hefty number of them, more than 600, are long-term unemployed. I challenge the hon. Gentleman to come to Rochdale to give those young people a lecture about economic literacy.

You have talked yet again very eloquently about taxation.

The First Deputy Chairman: Order. I should remind the hon. Lady that she should not use the term "you", which refers to the Chair.

Lorna Fitzsimons: I beg your pardon, Mr. Martin. As a new Member, I sometimes get carried away.

On taxation, surely the hon. Gentleman's memory is not so short-term, that he has forgotten his Government's record. In their final five years of office, they raised taxes 22 times, despite all their pledges about VAT. Therefore, I hope that the hon. Gentleman will forgive me if I or my constituents take no lectures from Conservatives about taxation.

As for the windfall tax, the shadow Chancellor's concern for pensioners would mean a lot more to the pensioners of Rochdale if he had not been a member of the Government who back-tracked on the imposition of VAT on fuel. If that Government cared so much about pensioners—

Mr. Lilley: Is the hon. Lady therefore arguing that her Government should give the same extra support to pensioners to cover the cost of the windfall tax when it is fed through to their bills as we gave to help pensioners when VAT was imposed on fuel? Does she agree with the Economic Secretary that the net effect of that extra help to pensioners was to make them—and I use her words—"better off" than if there had been no VAT increase?

Lorna Fitzsimons: I worked in the utility sector before my election to the House. I refute utterly what the right hon. Gentleman says about the impact of the windfall tax being passed directly to consumers. Anyone who has worked in the utilities is aware of the difference between the rhetoric of the election campaign and the reality. The regulators have already made it clear in their pricing reviews that that cost will not be passed on to consumers. That pledge has been echoed by the company chairmen and their boards. Our proposal was well-trailed policy, which we advertised. We were honest about it before the general election and allowed the markets to equate our policy with the studies conducted by analysts. We eventually put that proposal to the people.

I refute utterly the claim that the cost of the windfall tax will be passed on to the consumers. The Opposition have since professed, after the election, that they care greatly for the people, but one of the principal reasons for their defeat was that, after 18 years, the people of this country realised that the Conservatives cared not a jot for them.

Mr. David Heath: I would not dream of giving the hon. Lady a lecture on tax. Does she agree that the people who did the best out of the years of Conservative Government were those who earned the most? Would it not be slightly more equitable for her Government to agree with our policy that those who earn the most, perhaps more than £100,000 a year, should pay a little more to help those who need the most support?

Lorna Fitzsimons: I accept that that intervention was meant well, but I do not think that the effect of Liberal

[Lorna Fitzsimons]

Democrats' proposal would have been as the hon. Member has described. The flat rate on the expandable penny would have been imposed across the board, albeit on income tax. The point about the windfall tax is that it is a tax on the excess profits of the utilities. It will redistribute that money to the people to whom the hon. Gentleman referred. After 18 years, and after studying the books, we should take every opportunity possible to provide young people—the very people the Conservative Government ignored and denied such opportunity—with a lifetime's chance.

Mr. Stevenson: I am fascinated by the obvious conflict between the views of Conservatives, and possibly the Liberals, and Labour Members. If the windfall tax will be so damaging, can my hon. Friend help me by explaining why American electricity companies and French utility companies are queuing up to buy British utility companies?

6.30 pm

Lorna Fitzsimons: If the windfall tax were going to be as damaging as the hon. Member for Grantham and Stamford (Mr. Davies) suggested, people would have divested themselves of the shares and there would have been a downturn in the market. Conservative Members like to think that they are economically literate, but this pantomime debate means nothing to the people in our communities, in the City or in the companies which Conservative Members profess to care about.

It is even more amusing to see Conservatives claiming the people we now represent for their own. The fact is that they had 18 years in which to prove that they cared about pensioners and young people; Conservatives cannot now blame the Labour party for the fact that they squandered all the receipts from oil and gas and from the privatisations.

The Conservatives, who lay claim to economic literacy and competence, were responsible for the two worst recessions this country has ever known, yet they lecture us on the subject of economics, and they make speeches full of parliamentary gimmicks. If the windfall tax, on the other hand, were merely a gimmick, all the agencies and people at grass roots level who are so enthusiastic about it would not be so energised by the possibilities that it opens up to them—possibilities of enacting policies for which they have been lobbying and about which they have been dreaming for the past 18 years. As a result of this initiative, people are coming together in partnerships for action.

The challenge is to create sustainable opportunities for young people. I understand the Liberal Democrats' concern to ensure that that is a sustainable opportunity, and I shall take at face value their worries about short-termism. We Members of Parliament must act as ambassadors in our constituencies, ensuring that the money is used to best effect. This one-off injection of resources for much-needed programmes must be used in a way that makes it sustainable.

There is a lot of rhetoric about the transfer of skills; with the much-needed revenue from the windfall tax, we are in a position to give it meaning. We can prepare young people and lone mothers for the world of work. Whereas they used not to benefit from training opportunities, they will now be given skills matched to the needs of manufacturing industry. Many manufacturers in Rochdale say that they have a skills gap, not at the bottom but in the middle posts, for which they cannot recruit the right people. The jobs exist; now we need to give young people the skills to take up those jobs and make them lasting.

I have welcomed the windfall tax and I continue to welcome it. It is one reason why 1 May was so historic a victory. The shareholders and pensioners whom Conservative Members claim will be so damaged by the tax voted in a Labour Government, knowing full well that the windfall tax, our advertised policy, would follow. Those people want fairness, equity and sustainability in our economy. They want opportunities for the young. Pensioners feel great sorrow about the lack of opportunities for the young people of today. People with pension plans or shares in those companies can see the benefits of the windfall tax, and they welcome it.

There is no division between pensioners and young people over this matter. Many young people have no work at all—they can hardly afford to hold shares. In constituencies like mine, there is no division over the windfall tax. On the contrary, there is a unity of aspiration. People voted for a Government who would look for solutions. Sometimes those solutions involve imaginative but hard decisions.

I ask hon. Members of all parties to join us, after this pantomime debate is over, in the work that is to be done. *[Interruption.]* I call this a pantomime debate because some of the speeches made today have been pure pantomime—

Mr. Lilley *indicated dissent.*

Lorna Fitzsimons: Well, the Chamber has certainly resembled an amateur dramatics workshop at times.

No matter which party we belong to, we all have a moral responsibility to make sure that young people are given good working opportunities. Regardless of the rhetoric used by Conservative Members in the debate, I encourage them all to go as ambassadors to their communities and to ensure that the programmes resulting from the windfall tax are sustainable and practical. Given this one-off golden chance, we are all duty bound to put it to good use in the service of those 250,000 young people.

Mr. Lilley: This has been a brief but genuinely educational debate—educational for the Labour party, which has been informed of a few principles of economic literacy and of the real argument against this tax. It has been educational for us, too, as we have heard revealed the true motives behind the tax: Labour's desire to wreak delayed vengeance on the privatisation process and to attack success.

Three main issues have cropped up today. The first concerns who will ultimately pay for the tax. The second concerns whether the tax is right in principle: does it set a bad precedent, and is it not wholly irrational? Thirdly, the fact remains that it constitutes a rearguard attack on privatisation.

It has been said that to tax and be loved is given to no man, but the Chancellor clearly thought that he had found a way of doing both. Someone will have to pay in the end, though. It is deceitful to pretend otherwise. It is our—initially not terribly popular—duty to point out that

truth, and to ask again: who will pay? It was Lenin who said that the whole essence of politics concerns who will pay and who will gain. The same applies here. We expect from the Minister an explanation of who he thinks will ultimately pay. Will it be some mythical, non-existent entity? No; we know from the Minister's own advisers that individuals have to pay in the end—so he must tell us who they are. We know that, if the tax is passed on to households, the average cost will approach £300. If it hits pension funds—because it is not allowed to be passed on in higher costs—it is the pensioners of today and tomorrow who will have to pay.

It is no good saying that the share prices have risen somewhat since the Budget. The simple fact is that share prices and dividends would be higher without the tax than they are with it.

Secondly, there is the issue of principle. Retrospection is wrong in principle, as my hon. Friend the Member for Grantham and Stamford (Mr. Davies) eloquently argued. The reason is that retrospective taxes cannot be planned for. If Governments come along after the event and take away money that has been earned and deployed without the knowledge that a tax was going to be imposed, planning becomes impossible.

The only possible exception is when an unanticipated tax is applied to unanticipated profits. That, in effect, is what happened in 1981, when a tax was applied to a profit arising at that time out of the actions of the Government, before people had time to spend or deploy the profit in another way.

Clearly, the longer the Government go back, the more damaging retrospective taxes are. The windfall tax goes back more than a decade; it is frighteningly bad in principle, and sets a dangerous precedent. The windfall tax will undoubtedly reduce the revenues from future privatisations. Anyone buying shares in future issues will think that the Government may well impose a high tax if the company from which he is buying does well, as he hopes it will.

The process is irrational: it is a temporary tax to finance a permanent need. There will therefore be a temptation to make the tax permanent. If, as the Chancellor says, the tax will genuinely not affect customers, investment, jobs and pension funds, why are the Government proposing that it should be temporary? Why are they not proposing that it should permanently meet the costs of their continuing programmes to help young people into work, for which—as everyone who has contributed to the debate has accepted—there is bound to be a continuing need?

Today's debate has helped to reveal the real motivation of many Labour Members: to carry out a rearguard attack on the privatisation process. The hon. Member for Workington (Mr. Campbell-Savours), who is not currently in the Chamber, admitted that he was wrong about the benefits of privatisation, but said that he wanted to tax those who were right about them. He wanted to tax those who had invested in privatised companies in the expectation—which turned out to be correct—that privatisation would bring about a large increase in the efficiency and profitability of those companies.

One benefit of privatisation has been the generation of extra tax revenues. Before the privatisation programme started, the nationalised companies were losing £50 million a week of taxpayers' money. Since privatisation, those companies have been paying £60 million a week in corporation tax. The taxpayer has rightly and properly benefited from that success, and we should all welcome that. It seems irrational to suppose that they should pay a double dose of tax for that success.

The principal argument for the tax has been that the shares were undervalued at the time of issue. I was a humble and junior Minister at the time, but I can say from my experience in the Treasury that we wanted and needed every penny that we could get of the revenues from the privatisations of those companies. We certainly did not deliberately let them go at a price significantly below their market value. We took professional advice from officials within the Treasury and we took the best professional advice that money—a lot of money—can buy in the City. There was a range of opinions: in the only privatisation in which I was involved, I argued for a higher share price than the officials advised. But to suggest that there was a difference of 100 per cent. between the real value and the price set is nonsense.

The value could be set only on the basis of past experience. We did not know the future; we did not have perfect foresight, but had to relate the price to past profits. It would be logical to relate the relative undervaluation—if there is one—of the price at issue to some multiple of past profits, but not future profits. It is the very success of the privatisations—the fact that they exceeded our expectations—that created bigger profits.

What about Jaguar? I cannot remember whether the Paymaster General was around at the time of its flotation. Was he around at that time? Was he involved in it? Was that flotation underpriced? Did it sell at a premium? Did the Paymaster General benefit? Should he pay us a sort of voluntary windfall? Was the price a sign that the management had deliberately undervalued the company for some extraordinary reason?

BP was the first privatisation; it was started by the previous Labour Government at the behest of the International Monetary Fund. A majority of the shares were held by the Government, who sold some. A profit was made and the shares are now at a much higher price than they were when they were sold off by the previous Labour Government. Indeed, some Labour Ministers have holdings in the company. Based on the principle that present holdings should be taxed for the gains previously made by people who now have nothing to do with the company, presumably a large tax should be paid on those holdings. It is lucky that we know about those holdings—although we nearly did not.

The debate has been extremely helpful in revealing that the tax is without logic or foundation. It sets a dangerous precedent, and is an appallingly long retrospective tax. We urge the Government to think again about it.

Today's debate is not about the merits or otherwise of the welfare-to-work programme, which does not appear in the clause. We have debated the merits of that programme on previous occasions. If the programme is valid, it should be financed by proper, not retrospective taxation; it should be financed by continuing, not one-off taxes that threaten gradually to become permanent; and it should be financed by taxes that allow everyone to see who ultimately pays. We know who will pay: households and pensioners will pay the cost of Labour's windfall tax.

6.45 pm

Mr. Geoffrey Robinson: This debate has been about anything but clause 1. The shadow Chancellor, the right hon. Member for Hitchin and Harpenden (Mr. Lilley),

[Mr. Geoffrey Robinson]

must realise that he has not mentioned any aspects of clause 1. The debate has been illuminating for the right hon. Gentleman, as we have been able to explain to him the tax profit base, how it is calculated, the price-to-earnings ratio, and why we have taken the first four years. The right hon. Gentleman did not express a view on any of those matters, although he can see the logic of the tax.

The tax is logical. We are able to define the criteria that determine which companies will be affected. We have been able to use a ratio that is well established in the financial markets. The right hon. Gentleman and other Conservative Members know from their experience in previous occupations that it is clearly not an arbitrary tax. It consistently taxes all the companies that fall under the definition and treats them consistently in every respect.

The tax is not arbitrary, because we have focused on a period of four years and measured the excess profits over that period. That is why, throughout the debate, Conservative Members have had to re-hash the arguments that they advanced on Second Reading. We have not heard any discussion among Conservative Members about the basis of the tax. They have not attacked it on a technical, legal, or even financial level. All we hear are the same old adjectives trotted out.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Will the Paymaster General give way?

Mr. Robinson: It is interesting that the hon. Gentleman is trying to intervene now, when just 14 minutes remain and I have many hon. Members to respond to. He was given an opportunity to contribute by you, Mr. Martin, as the last Labour Member finished speaking, but he was so hesitant and tentative that he was overlooked. I shall give him an opportunity to contribute now.

Mr. Gibb: As the windfall tax is unlikely to be a creditable tax for United States double tax relief purposes because it is a tax on capital rather than income, and as the US is such a large investor in the United Kingdom, particularly in the utilities sector, will the Paymaster General tell us what discussions the Government have had with the US Government to ensure that the US Government do not impose a retaliatory tax on UK investors in the US?

Mr. Robinson: As the hon. Gentleman well knows, that question is one for the US authorities; it is not for us to intervene in any decision that they reach on that matter. As the hon. Gentleman is so concerned about the attitude of American companies to our utilities—a point raised by the hon. Member for Grantham and Stamford (Mr. Davies), who has just returned to the Chamber—he will be interested to know that, far from uncertainty being created in the marketplace, shares have risen, as the shadow Chancellor readily conceded. In fact, the American PacifiCorp bid for the Energy Group, which includes Eastern Electricity, has been tabled and still remains active at £3.6 billion.

That is another sign of the markets' confidence in the Labour Government. We have taken steps across the board to ensure that, unlike the previous Government, we are not side-tracked by short-termism. Everything that we have done since taking office—

Mr. Quentin Davies: Will the hon. Gentleman give way?

Mr. Robinson: I shall in a moment, but I am speaking about some of the points that the hon. Gentleman made. That bid is there. There could be no better sign of a continuing confident commitment by American companies to the British utilities market than that. Perhaps—

Mr. Davies: Will the hon. Gentleman give way?

Mr. Robinson: I shall give way in a moment. When the hon. Gentleman intervenes, perhaps he will tell us how that betrays a lack of confidence.

What we have done with the Bank of England, what we have done to set up a single regulatory authority, our moves on corporation tax and our action on ACT were all carried out with one aim in mind—to create a medium to long-term climate for growth and success.

Mr. Davies: Does not the hon. Gentleman realise that, had it not been for the windfall tax, utility companies would be worth more, so the size of the investment that would have been made in that takeover would have been correspondingly higher?

Mr. Robinson: The hon. Gentleman may have set his sights very high. A 7 per cent. increase in share values since 2 July is good enough for me, and long may it continue. I know that all the companies that find themselves subject to the tax are anxious to get the tax behind them, so that they may get on with running their business.

Mr. Peter Brooke (Cities of London and Westminster): In the months leading up the Budget, the Government took ready credit for the fact that the markets were discounting the effect of the tax, and now they take credit for the fact that the markets have risen since the tax was announced. Is it reasonable to take credit for both?

Mr. Robinson: I can assure the right hon. Gentleman that we shall take credit wherever we can—and do our best to take it even if we should not.

I have long ago given up trying to read markets with any reliability. They are irrational—much more irrational than this tax. However, we were told by many market commentators, and by Conservative Members, that share prices would collapse after the Budget: that they would collapse in the utilities sector because of the windfall tax and that they would collapse in the entire market because of the decisions taken on tax dividends and ACT. Neither happened, and I am sure that all hon. Members are pleased at the continuing vote of confidence in the Government and the future by the stock market and the financial institutions.

When the hon. Member for Gordon (Mr. Bruce) reflects on the date problem, he will realise that it is not really a problem. One must select a point at which the benefits are

defined and use that as a cut-off. That is a pure piece of parliamentary draftsmanship. I assure him that there is no substantive point there.

The hon. Gentleman also sought two assurances, which I am pleased to give him. One concerns the age-old point, which we have heard at every Question Time and throughout the Second Reading debate and which we continue to hear, presumably because Opposition Members have nothing else to say. Yes, it is a one-off tax, as has been said repeatedly.

The hon. Gentleman was also anxious that we might have given any of the companies that might be subject to the tax assurances that have not been made public. That could not have arisen, because Ministers did not meet the companies. I personally met the regulators and that subject did not come into our discussions, although, as I shall repeat shortly, they were very clear in their minds about what they had to say, and it was on their advice that my right hon. Friend the Chancellor made the statements he did, which I reiterate today. Ministers had no meetings with the companies, so that point does not arise. Representatives of the companies were seen by officials, and I assure the hon. Gentleman that no such commitment would have been made by any official, either.

Many other Labour Members contributed to the debate very effectively, but the Opposition said nothing new. My hon. Friend the Member for Workington (Mr. Campbell-Savours) spoke movingly about the prospects for his constituency. We know that in Workington there is an especially severe problem of second and perhaps third-generation households without a wage earner, so we have the prospect of successive generations of unemployment in single families. My hon. Friend had the honesty to say that he had been converted to the principles of privatisation, but—I share this with him—he said that he had not been convinced of, or converted to, the principles of undervaluing and underselling our national assets.

If we are to restore people's respect for privatisation, it is essential that the tax proceeds. It was clearly stated in our manifesto that we would introduce such a tax; indeed, it was clearly stated four years ago. Shareholders have had every opportunity since then to decide whether to keep the shares. In that time, the profile of independent investing companies will have changed, as a result of their decision to sell, as a result of takeovers or for any other reason. We are well aware that today's shareholders are different from the shareholders soon after privatisation, but that fact does not enter the argument.

The hon. Member for East Yorkshire (Mr. Townend), who is not with us now, referred to East Midlands Electricity and Yorkshire Electricity. We are not trying to favour one company against another. It is not a question of trying to be fair to some and unfair to others. Profits that were made in those four years and profits that were made against the price at which the companies were floated, represent what we judge to be excess profit, and if that is higher for East Midlands than for Yorkshire, I am afraid that that is how it is. The shareholders of the company that has done better will have shared in that success. We are now rightly trying to get back some of that success for all taxpayers, who have not benefited from it.

My hon. Friend the Member for Dudley, North (Mr. Cranston) concisely and accurately described how the tax is intended to work and why it will work on that basis. The problem with the Liberal Democrats, on the other hand—this applies as much to the hon. Member for Gordon as to the hon. Member for Portsmouth, South (Mr. Hancock)—is that they cannot make up their minds. They will the end, but they cannot bring themselves to will the means. That is the problem. Nothing in their manifesto would come near to raising sums of the magnitude of those that this tax—presented to and voted for by the electorate—will raise. The Liberal Democrats cannot say yes to the programmes but no to the tax. That is their usual position—standing on their heads.

My hon. Friend the Member for Stoke-on-Trent, South (Mr. Stevenson) accurately calculated the likely excess profits to be about £6 billion, which he said had been calculated on a modest basis. I have already explained to the Committee that the basis of the tax—setting the price-to-earnings ratio at nine, slightly below the lowest sectoral average—shows a Government who are trying to be reasonable and fair in all respects.

The question of unfairness and uncertainty was brought up again by the hon. Member for Witney (Mr. Woodward), and it seems ironic that unfairness and uncertainty can be brought to bear when the clearest possible criteria and the clearest possible objective basis for the tax have been established, have been unchallenged by the Opposition and have been applied impartially to the companies that meet the criteria that we have established.

I regret to say that, as the first debate in a massive assault on our flagship programme, this debate has been a weak re-hash of arguments previously made by the Opposition. There have been no reasoned amendments. Opposition Members have said nothing today that they have not said to even less effect previously.

In the Government's view, this is a major piece of legislation. It is a major tax, it is a one-off tax and we have a mandate for it. It was in our manifesto and the electorate voted for it.

This Government will keep their promise to the young and the long-term unemployed. We shall keep our promise to rebuild schools. Unlike the previous Government, we shall not break our promises. I therefore urge the Committee to accept clause 1.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 338, Noes 188.

Division No. 56] **[6.58 pm**

AYES

Abbott, Ms Diane	Austin, John
Adams, Mrs Irene *(Paisley N)*	Banks, Tony
Ainger, Nick	Barnes, Harry
Ainsworth, Robert *(Cov'try NE)*	Barron, Kevin
Allen, Graham *(Nottingham N)*	Battle, John
Anderson, Donald *(Swansea E)*	Bayley, Hugh
Anderson, Janet *(Rossendale)*	Beard, Nigel
Armstrong, Ms Hilary	Beckett, Rt Hon Mrs Margaret
Ashton, Joe	Bell, Stuart *(Middlesbrough)*
Atkins, Charlotte	Benn, Rt Hon Tony

Bennett, Andrew F
Benton, Joe
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Christine
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda
(Edinburgh Pentlands)
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Cohen, Harry
Colman, Tony *(Putney)*
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny
(Wolverh'ton SW)
Jones, Dr Lynne *(Selly Oak)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon C
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine
(Morecambe & Lunesdale)
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann
(Dewsbury)
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi

Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Jon Owen Jones and Mr. Clive Betts.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard *(Sheff'ld Hallam)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Mrs Jackie
Beggs, Roy *(E Antrim)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Butterfill, John
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Alastair
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(N Essex)*
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Temple-Morris, Peter
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Professor Steve
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Willis, Phil
Wilshire, David
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Richard Ottaway and Sir David Madel.

Question accordingly agreed to.
Clause 1 ordered to stand part of the Bill.

Clause 15

MORTGAGE INTEREST PAYMENTS

Mr. Tim Boswell (Daventry): I beg to move amendment No. 11, in page 10, line 15, at end insert—

'(4) This section shall not come into effect until the average mortgage rate is at or below the rate prevailing on 1st May 1997.'

The effect of the amendment is relatively simple. It would prevent the Chancellor's intended reduction in mortgage interest tax relief until the general tenor of interest rates returned to the level applicable on 1 May 1997—a date which, I imagine, is etched on the hearts of hon. Members on both sides of the Committee.

I shall return to the amendment, but first it may be helpful for the Committee if I give a little historical context to the issue of mortgage interest tax relief.

I suspect that, when discussing the subject, many of us are a little eclectic in our use of terms. I am trying to use the stricter term "mortgage interest tax relief", if only to remind the Committee that it is a tax relief given against taxable income on account of mortgage interest, although even that is not a perfect concept now. It is often described as MIRAS, no doubt because the acronym slips more easily off the tongue. That stands for mortgage interest relief at source, which was introduced some years ago. It is the same thing, but reflects the way in which the relief is now payable.

Subject to the indulgence that we may flit from one term to the other, even inadvertently, I shall say a word or two about the concept, how we got to where we are today and what we should do about that.

[Mr. Tim Boswell]

The original concept, like most things in the income tax system, almost all the way back to Pitt, was a logical one. Income was calculated taking into account all items that were taxable under various schedules, including at that time an implied rental equivalent for any house occupied by an owner-occupier under schedule A. Against that taxable income, the taxpayer was entitled to set off all relevant outgoings. From time immemorial, one of those outgoings was the deduction of interest on account of loans—not specifically tied to house purchase, at that stage.

7.15 pm

Those of us with fairly long memories—in my teenage years, I used to hear these concepts bandied about, even if I did not fully understand them—will remember the sustained pressure in the 1950s for the abolition of schedule A as it affected the owner-occupier. That provision was abolished by a Conservative Government, I think under Mr. Selwyn Lloyd, as a move explicitly favouring home owners. Ever since then, a person who has a discretionary option to invest, say, £200,000 of his money in a house to live in, as against renting a house, or to put the money into shares, bonds or other securities to generate an income with which to pay that rent, is usually favoured in tax terms by being an owner-occupier.

That change came about after a sustained campaign with a great deal of public feeling. It was, I believe, a reflection of the good intentions of the Conservative Government of the day to support owner-occupiers. It was the right thing to do, but it broke the tax symmetry, as it were.

Characteristically, on the other side of the argument for the taxpayer, the succeeding Labour Government in the late 1960s cut off interest on loans—not on house purchase, but on all loans other than for housing. We had moved from a perfect and tidy concept to one that favoured home owners and disfavoured other kinds of borrowing.

Thereafter, the regime was more stable, although along the way a restriction was imposed on the total amount of borrowing eligible for mortgage interest tax relief. Probably as a reflection of the relative stability of that period in the 1970s and 1980s, the importance of mortgage interest tax relief grew. The total cost to the taxpayer, or tax expenditure, rose. In 1991, it peaked at £8.9 billion per annum, which was a substantial cost.

That cost was achieved even though the eligible loans were restricted to £30,000 from 1984 onwards. That has not changed, and will be the subject of a clause to be debated in Standing Committee. I will not talk at length, except indirectly or incidentally, about the limit.

Since 1990–91—the peak of tax expenditure—interest rates in the United Kingdom have fallen sharply. At 1 May 1997, they were at their lowest historic level for more than 30 years. That was an appropriate time for a Conservative Chancellor—who, like all Chancellors, had to set tax priorities—to introduce a number of stepped changes which reduced the level of the relief, alongside the automatic reduction that was taking place on account of the reduction in interest rates. The changes involved the removal of higher rate relief from 1991–92 and the restriction of relief to 20 per cent., and subsequently to 15 per cent.

Anticipating the Financial Secretary's speech, I am sure that she and those on the Treasury Bench will try to justify the Government's changes by implying that they are a continuation and flow from other recent changes. However, in view of the somewhat overblown claims made about the Budget—

Mr. Campbell-Savours: When the Conservative Government took a similar decision some years ago, did they have interest rates in mind? Is not the policy they pursued then exactly the reverse of that which the Conservatives are pushing in the amendment?

Mr. Boswell: There is a huge distinction, to which I was about to refer. The difference is that interest rates were on their way down when the Conservative Government took that decision. Sadly, they are now on their way up. That is one reason why we are seeking to impose on the Government the restrictions that are set out in the amendment. If, as the Chancellor and the Financial Secretary have suggested, this is a people's Budget, we must ask why the people will pay for it.

I started my speech from an historical perspective, to which I shall now return. I cannot better the conclusion reached by the Council of Mortgage Lenders in its recent comprehensive briefing. It said that it is clear that mortgage interest tax relief has moved from being

"a highly regressive form of relief which benefited high income home owners most to being a relatively progressive form of relief giving most assistance to home owners with a relatively small mortgage and on lower incomes."

I point out that a series of Conservative Chancellors introduced changes and continued to maintain the £30,000 restriction which, together with other measures such as the right to buy, brought about that social revolution. The Conservatives can reasonably claim to have pioneered the encouragement of home ownership from the 1960s.

The Council of Mortgage Lenders gives a further analysis of the pattern of mortgage lending now—and not as it would have been in the 1970s under Governments of both colours. It examines the size of income of the mortgagor—the person who borrows; as I am not a lawyer, I tend to get it wrong if I do not think about it—and the average size of the mortgage based on the latest convenient revenue figures for 1994–95.

Mr. Campbell-Savours: I have checked the statistics. The hon. Gentleman said that, when the Conservative Government introduced the measure in 1995, interest rates were going down. According to Library research paper 9784, interest rates were increasing at that time. How does that information fit with the hon. Gentleman's amendment?

Mr. Boswell: If he were to take one month with another, the hon. Gentleman would find that interest rates tended to be down dramatically during that period. I am sure that he would agree that the solution figure achieved on 1 May 1997 was the lowest historic rate for more than 30 years.

Returning to mortgage distribution under the recent arrangements, it is interesting to note that, once people reach an income level of about £10,000 a year—

Mr. Campbell-Savours: I must press the hon. Gentleman on this important point. The Conservative

Government announced the change in 1993, when, according to the Library, interest rates were 5.5 per cent. When the measure was introduced in 1995, interest rates were 6.75 per cent. In other words, the measure was introduced when interest rates were increasing, yet the hon. Gentleman pleads that we defer until interest rates go down.

Mr. Boswell: I draw the hon. Gentleman's attention to the fact—I invite him to check the figures for himself in the Library—that interest rates reached an historic peak on 15 September 1992. That date may be in the hon. Gentleman's mind. The tendency thereafter was for the rates to be reduced, which has produced conclusively the lowest historic rate for more than 30 years. Interest rates were down during that period. I strongly advise the hon. Gentleman—to whom I have given way three times on this point—to consider the distribution of incomes and mortgages.

The broad and level pattern of mortgages is established roughly at an income level of £10,000 per annum. It is well to remind the House that there are about 1.5 million beneficiaries of mortgage interest relief below that level, 1 million of whom are not taxpayers. Above the £10,000 figure, the curve rises relatively smoothly to a lower income limit of about £40,000 a year. The curve for the size of mortgage is broadly stable along that line. Therefore, given that there is a £30,000 limit, the amount of relief is very stable.

Another way of putting it is that, of 10.4 million home buyers, 45 per cent. had household income not exceeding £20,000 a year, yet they received 39 per cent. of the value of the mortgage interest tax relief; so the situation is pretty balanced. This analysis, suggesting an even distribution of the benefits of mortgage interest tax relief to home owners, is broadly confirmed by the Institute for Fiscal Studies.

It is worth adding that benefit relief is evenly spread regionally. In Wales, where house prices are lower, two thirds of the relief and 40 per cent. of the relief in Scotland go to those with mortgages under £30,000. The broad pattern of relief according to incomes and population is fairly stable across the country. Therefore, in its current form, the benefit is not a fat cats' or a home counties' benefit. Although the figures diverge in the south-east of England, that reflects the high cost of housing as a percentage of total disposable income. Any change in the level of tax relief makes the least proportionate difference to people in the south of England because they pay more anyway.

The scene, therefore, is of a widely spread benefit which is available to 10 million households all over the country and spread evenly among all income groups and regions. So what has happened since 1 May? This matter obviously concerns the hon. Member for Workington (Mr. Campbell-Savours). First and foremost, there have been three successive quarter point rises in interest rates—the last occurred only last week. Now that the Chancellor has remitted control of monetary policy to the Bank of England, there may be more increases to come.

Home owners need interest rate increases like a hole in the head. The cost of those interest rate rises alone—remembering that they are paid for by the great bulk of the 10 million householders—is £21.85 a month on average. We might object if the Chancellor tried to portray that increase as a law of nature. Nevertheless, it is created by the operation of interest rates.

What does the Chancellor do? He makes matters worse by imposing a staged cut in tax relief, which takes out another £8.95 a month for those mortgage holders who benefit from the full £30,000 relief. That makes a total loss to the individual householder of about £30 a month as a result of Labour's double whammy. There is the whammy of mortgage rate changes and that of the withdrawal, or partial withdrawal, of mortgage interest benefit.

The Labour Government claim that they are concerned to listen to others. That being so, surely they should have listened to those like the deputy director general of the Council of Mortgage Lenders, Peter Williams, who, commenting on the issue of retaining mortgage interest relief, said:

> "The Government should understand that further cuts in mortgage interest tax relief do not represent a zero-cost option. Ill-considered actions on MITR, based on the short-term expediency of releasing funds for other programme priorities, are likely to damage home owners and the housing market indiscriminately, and to call into question Labour's commitment to sustainable home ownership."

Mr. Williams added:

> "The CML is keen to work with the Government on a range of issues affecting the housing and mortgage markets, and is prepared to have discussions on the future of mortgage interest tax relief."

It is clear, however, that the Chancellor's proposals are entirely within the framework of the policies that I have explained to the Committee, with the consequences that I have set out.

7.30 pm

I pause on three points of my own in the analysis. First—in this instance, the Chancellor and his Treasury team have been entirely consistent—a move has been slipped into the Budget that is completely in accord with the message of the Budget, which is, "Clap today and pay tomorrow." It is inevitable that the costs of the proposals have not yet fully sunk in, and that is because most people receive an annual statement of their mortgage liability in the spring. Their repayment period is adjusted accordingly. That does not apply to every mortgage, but there are many people who do not yet know what has hit them.

Secondly, Labour is claiming, and the Chancellor is calculating and betting on, a benefit of £950 million in a full year. The Chancellor should reflect on the implications of the three hikes in interest rates on the cost of MIRAS itself. By increasing the interest rate three times, there has been a rise in the cost of MIRAS. My personal calculation is that it has amounted to a loss of £225 million to the Exchequer. The Chancellor has already given away about a quarter of the benefit that he is claiming.

Thirdly, we have not taken into account all the changes that will bear on the ordinary person or ordinary householder, to use the Government's terms. In addition, there is the indirect impact of the changes in advance corporation tax on pensions and the need to contribute to pensions. There is also an indirect impact on local authorities and council tax. In some instances, there will be an impact on stamp duty. There are other changes that will take place indirectly in the second round.

Mr. Ivor Caplin (Hove): I apologise for missing the start of your speech. You raised on three occasions,

[Mr. Ivor Caplin]

I think, since I have been in my place, the question of three interest rate rises since 1 May. Would you not accept—

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): Order. "You" and "your" are not words that the hon. Gentleman may use, because they refer to the Chair. The Chair is not involved in these matters.

Mr. Caplin: I am sorry, Mr. Lord.

The hon. Member for Daventry (Mr. Boswell) has said on a number of occasions that there have been three interest rate rises since 1 May. Perhaps he will reflect on why there was no interest rate rise in the first part of the year, which every economic forecaster said there should be so as to control the economy generally and specifically in terms of house purchase.

Mr. Boswell: It is interesting that, after the election result was known, it became clear from the price series for April that the outgoing Chancellor, my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), hit his inflation target precisely in April. We were accused during the general election campaign of not having hit that target. It seemed that inflation would be 2.6 per cent., but we reduced it to 2.5 per cent. It has now risen to 2.9 per cent. because of the direct impact of the Budget.

As for monetary policy at that time, I think that my right hon. and learned Friend the Member for Rushcliffe is to be commended on making his own judgment. I am surprised that the hon. Member for Hove (Mr. Caplin) appears to concur with the view of the Bank of England in the second half of last year, when it demanded an interest rate rise. My right hon. and learned Friend resisted that demand, and I believe that he was right to do so. These are now matters of history, and it is plain that some of the difficulties imposed by the Chancellor are that he has increased taxes and spending in the Budget as well as indicating a relaxation of the inflation target, which is an extremely bad signal to send.

We have a focused tax relief which is intended to give practical help to all sorts of home owners. It is neither regressive nor regionally skewed. It costs £2.3 billion annually, which in cash terms was very much what it was about 25 years ago. It is not very far out of the ball park of about 1p on income tax. Our complaint is that the Government are aggravating the effects of their hits on higher interest rates on the householder with a tax hit that is entirely of their own making.

The Government's action is likely to have little effect in cooling any alleged boom in house prices, which is by no means universal. The conclusion of the Halifax building society in its latest house price index is that there is no need for any specific Budget measures aimed at curbing an allegedly "booming" housing market. I know, of course, that that must be a matter of judgment.

In fairness to the Government, I do not think that they have made their proposals on that basis. We on the Opposition Benches want to protect the home owner by providing, through the amendment, for no cut in mortgage interest tax relief to take effect unless and until interest rates are reduced to the historic low levels enjoyed by borrowers on 1 May.

I agree that present signs suggest that it might be rather a long wait before we reach that happy state again. It will be a long wait, because already the Chancellor has shown a readiness to relax his inflation target and a propensity in various ways to favour increased taxation. In my judgment, he is preparing the way for higher spending. Faced with that somewhat bleak picture, we owe it to home owners to offer them some protection, as afforded by the amendment.

To quote the Government, all that we are discussing amounts to a matter of trust. I have changed my spectacles recently, a move that has been of great benefit to my performance at the Opposition Dispatch Box, but I still see nothing in the Labour party's manifesto, with either old or new spectacles, that amounts to a pledge to increase taxes that are paid by home owners.

I have recently shared with the House of Commons a letter from one of my constituents, a Mr. Morrison, and I shall now share it with the Committee. He confirmed my apparent myopia when recently he wrote:

"I phoned Mr. Brown prior to the election concerning future fiscal policies. He informed me that no planned reduction in MIRAS would take place and I should look at the Labour Party manifesto, which did not include such measures."

I am afraid that I have still not had any explanation from those on the Treasury Bench about those assertions. It could be that Mr. Morrison got through on a bad line and was misheard. It could even be that someone got into the headquarters or office of the Chancellor and decided to impersonate him. Or, of course, it might not have been a planned hit on mortgage rates at all: it could have been a panic cut imposed at a later date when interest rates were already humming on their upward path.

There has been, therefore—I regret to have to tell the Financial Secretary—a material breach of trust. I invite Ministers on the Treasury Bench to absolve themselves and their colleague by giving some belated explanation of what took place. Tonight, I also invite them to repair the damage that they have caused by at least committing themselves—I hope that the Financial Secretary is listening—to no further reduction in mortgage interest tax relief. Better and more immediately, I invite them to accept our amendment on behalf of the home owners whom, sadly, they have set out to damage.

Mr. Campbell-Savours: I shall be brief, as I had not intended to speak, but having been provoked by the Minister five minutes ago, when he failed to answer my perfectly reasonable question, I feel compelled to do so.

The whole debate begs a question that no Opposition spokesman has answered from the Dispatch Box. I pressed the shadow Chancellor several times to answer a very simple question. He refuses point blank to do so. What would the Conservatives have done if they were in government? Would they have raised interest rates? Would they have raised taxes? Would they have done a little of both? Or would they have done nothing at all?

I asked the other day whether the Conservatives accept that the economy is overheating. Everyone tells me, tells us, tells the Government, that the economy is overheating. The only people who have trouble mouthing those words are Opposition spokesmen. The reason, of course, is that

if they were to do so, it would mean that they, were admitting that the economy was not in a particularly balanced state at the time of the general election.

The reality is that we faced up to our responsibilities the moment we knew what the problems were. I believe that there was almost a conspiracy of silence during the general election campaign, from all sides in the political debate, about what would happen post-Budget. Indeed, the Tory party was part of that conspiracy. I do not remember the Tories telling us at any stage during the election campaign what they intended to do about MIRAS after the election. We all knew that they would remove it.

I challenge any Opposition spokesman to come to the Dispatch Box today and tell us in all honesty that it was not the Conservative party's intention to interfere with MIRAS after the general election. Perhaps it would be better if a member of the then Cabinet were to do so, because I understand that the Cabinet of that time considered the issue of MIRAS. I give way to the hon. Gentleman—

Mr. Boswell *rose—*

Mr. Campbell-Savours: Not him, he was not in the Cabinet—I am asking the right hon. Member for Hitchin and Harpenden (Mr. Lilley), who was a member of the Cabinet at that time, whether the issue was discussed in the Cabinet sub-committee.

Mr. Lilley: The hon. Gentleman purports to know what goes on in Cabinet sub-committees. I can assert, from my knowledge, that he is wrong on both counts.

Mr. Campbell-Savours: I am very surprised indeed, because we were being—

Mr. Boswell *rose—*

Mr. Campbell-Savours: I now give way to the hon. Gentleman.

Mr. Boswell: I thank the hon. Gentleman for giving way. While he is speculating about what may or may not have taken place in the Cabinet, of which I would not, of course, have direct knowledge, does he nevertheless agree that the words that I quoted from my constituent suggest that it was reasonable for my constituent to decide, in placing his vote on 1 May—the date which is the subject of the amendment—that there was no proposal from the Labour party for a change in MIRAS? Does the hon. Gentleman accept that that was the import of that telephone conversation, or is there some other explanation?

Mr. Campbell-Savours: I think that to some extent there is an element of truth in what the hon. Gentleman is saying, but the reality is that everyone knew that surgery would be required after the general election. All the public opinion polling about what the public considered would be the position after the general election showed that they believed that, whatever Government were in power, there would be increases in taxation. That is a reality.

The polls before the general election showed that the British people expected taxes to rise, and they were correct. We believed that they would rise. Conservative Members knew that they would rise. The Liberal Democrats believed that they would rise, because they advocated openly in their campaign that they should. Economic commentators knew that they would rise. If I understand it correctly, the Governor of the Bank of England was advocating in private that taxes should rise to take pressure off interest rates and in the decisions in which he was involved at that time with the then Chancellor of the Exchequer.

7.45 pm

In many ways, I am arguing is that this is a totally false debate. The reality is that everyone knew that something was going to happen, and now the Opposition lecture us that somehow it is all our fault, when they know that we are dealing only with reality. We are dealing with the inevitable consequences of the underlying weak economy that we inherited.

I believe that the reason why we have to raise interest rates in this country, and why we have the problem with the exchange rate, is because this country is economically weak. Over the past 17 years, we have seen the economy's industrial base shattered. As a result, we cannot withstand the pressure of increased consumption without forcing up interest rates to block it off, for fear of provoking inflation.

If proof is needed, just look across the world. How can the Japanese have such low interest rates? How can Japan allow its consumption to rise without provoking heavy increases in interest rates? Why do we in the United Kingdom generally have a higher interest rate regime? It is because the British economy is fundamentally weak and was immeasurably damaged over those 17 years.

I am prepared to concede that many parts of the British economy are now leaner, more efficient and more effective in the way in which they use resources, and that their management is better. Some policies introduced during the years of Thatcherism had that effect, but I am complaining that, in securing those objectives, a major part of the British economy was destroyed and, in the process, an interminable number of people were placed on the unemployment queue. That is the problem. How are we to strengthen the underlying economy of the United Kingdom, particularly the manufacturing sector, without provoking massive inflation in the United Kingdom? In many ways that will be the test for my right hon. Friend the Chancellor.

I shall move on to a comment that was made about the impact of the tax change on the property market. The impact on the top end of the market will be zero. There will be no impact at all. It will have no effect on properties costing hundreds of thousands of pounds, which in effect means most of the property in the London stock. Indeed, the inexorable trend towards higher and higher prices will continue in London, it being the part of the country that is leading the nation.

Because, historically, prices in the regions follow prices in London—whatever happens to the national economy—we await greater rises in the provinces than we are currently seeing, because of the delayed effect. That delayed effect will, to some extent, mitigate any damage that might arise from lower-priced properties. I believe that, at the last general election, in deciding what property to buy, people discounted the fact that they would have to pay more taxes. Therefore, on lower-priced properties, these measures will have little effect.

[Mr. Campbell–Savours]

I come finally to some interesting statistics that I am having trouble understanding. Every week I follow a sample of building society lending rates, published by the *Sunday Times*—in particular the variable fixed and capped rate mortgages. They provide some interesting reading. I am unable to understand—hon. Members may be able to explain it to my simple soul and perhaps simpler mind—why it is that, in times of rising interest rates, capped rates are now lower than they have ever been, and fixed rates are now as low as they have ever been.

It is interesting to note that the Skipton building society's capped rate is now 7.49 per cent. Some six to nine months ago it was 0.5 per cent. higher. With regard to the five-year fixed rates—anything less than a five-year term is not a particularly meaningful statistic—a number of building societies offer between 7.5 per cent. and 7.95 per cent., which is less than the variable rate, certainly for the privatised mutuals, but the equivalent of many mutual variable rates.

There must be a message in all that. Perhaps it is that the markets believe that interest rates will fall and that at the moment we are simply experiencing an interest rate blip.

Mr. Patrick Nicholls (Teignbridge): The hon. Member for Workington (Mr. Campbell–Savours) said that he had not intended to make a speech at all, but felt provoked to do so. I noticed, however, that he had sheafs of notes to call to his aid. I, too, am minded to say that I had not intended to speak but was suddenly provoked by the hon. Gentleman and I, too, have the benefit of being able to produce spontaneous notes.

I want to follow on from what the hon. Gentleman said in a completely spontaneous way, because it just happens to fit in with what I might have said had I intended to speak in the first place. However, I want to say a word first about the context in which the debate is taking place.

We are here today because of the way in which the Bill has been guillotined. I am old-fashioned enough to remember a time when Bills were guillotined because of filibustering or, at the very least, because debates had been going on for so long that it was only right that the Government should be entitled to draw things to an end. That clearly is not the position in this case.

We have some three hours to talk about MIRAS and what has been done to it, but it might have been appropriate had we debated it in Committee Upstairs where the measure could have been examined at far greater length and where we could have tabled a series of amendments in order not only to find out exactly what the Government had in mind but to suggest ways in which the measure might have been adjusted, which might even have appealed to Labour Members.

Sadly, when the Committee stage is taken on the Floor of the House, the debate has to be far more general and it is not possible to have such a specific debate. One of the consequences is that it is not so easy for Labour Members to make the sort of contributions that I am sure they would have wanted to make had the matter been dealt with in Standing Committee. Such an opportunity would have given Labour Members the chance to show that they can think and speak, a talent which many will find particularly useful after the next election.

The Financial Secretary to the Treasury (Dawn Primarolo): I wonder whether the hon. Gentleman's brief says that the reason we are discussing MIRAS on the Floor of the House is because his Front Bench chose to do so, and we were as surprised as he says he is that it is being debated here rather than in Standing Committee.

Mr. Nicholls: One does find with Finance Bills that the Opposition find certain parts that they do not like, so they table amendments in order to debate them. That is not particularly revolutionary. I am not in the slightest bit surprised that my right hon. and hon. Friends thought that it would be a good idea to debate MIRAS. Such a debate is a good idea.

Mr. Boswell: Is it not also in my hon. Friend's mind that this is the biggest single imposition of direct taxation on the ordinary citizen in the Budget? Some much bigger hits on the ordinary household budget come indirectly through the windfall tax and advance corporation tax, but this is the biggest single identifiable measure which strikes at the householder.

Mr. Nicholls: I am sure that that is right.

The hon. Member for Workington, in his spontaneous contribution, was generous enough, as he so often is in these debates, to say that there might be an element of truth in the fact that, if a constituent telephones the shadow Chancellor to ask whether he intends to do something and he says that he does not and then changes his mind and does it, the constituent might feel that he had been misled. A more straightforward way of summarising what the hon. Gentleman said would be to say, "Yes, the man was completely misled."

It was part of the hon. Gentleman's argument that in some way everyone knew that taxes would go up. It is strange for the hon. Gentleman to be cynical, but he was saying, in a rather cynical way, "Well, it doesn't matter if my Government put taxes up. Everybody knew they would. If someone was daft enough to believe my right hon. Friend the then shadow Chancellor when he said that he would not put taxes up, well, he has got it coming to him." I do not find that a particularly attractive argument, even if the hon. Gentleman does.

The fact is that even the hon. Gentleman does not believe it. He is simply making the best of a bad job. The hon. Gentleman is very much a party loyalist. He is one of those who is always prepared to sing in concert with his Front Bench. He is a man who manages to take a lead. He is a man for whom the cry "Give him a job" makes him light up because he knows that one day, because of his loyalty to the party line, it might come to him.

Mr. Campbell–Savours: Say that again.

Mr. Nicholls: I might do so one day.

When the hon. Gentleman tries to pretend that everyone accepted—

Mr. Campbell-Savours *rose—*

Mr. Nicholls: The hon. Gentleman feels an intervention coming over him.

Mr. Campbell-Savours: I am the last person on earth who would either be offered or would accept a job.

Mr. Nicholls: It has been my experience that one can never make that assumption with complete confidence.

The hon. Gentleman might say that everyone knew that taxes would go up, but that view was not universally shared. It was not shared by the Prime Minister. In an article in the *Financial Times* on 21 September 1996 he said:

"I have to say"—

that is how he puts it—

"that we have no plans to increase tax at all."

He actually used the phrase "at all" to reassure people.

It was not just the Prime Minister who said that. As recently as 8 April 1997, at the beginning of the election campaign, the Chancellor said:

"There is no black hole for the Labour party because we have got no public spending commitments that require extra taxes."

One man's black hole leads to someone else's black death, because it is pretty obvious now that there has been a huge amount of extra taxes. It is clear that some people knew that taxes would go up, and those people were the Opposition if they came into government.

It is worth placing MIRAS in the context of 17 tax rises from people who were saying days before the general election that there would be no increase in taxation. I will not go through all of them, but there are some that might be thought to be directly relevant.

MIRAS itself means that taxpayers will pay an extra £950 million. Stamp duty will cost them £540 million; the abolition of tax credits for pensions, £5.4 billion; the windfall tax, £5.2 billion; the limitation on the carrying back of trading losses, £250 million; the abolition of relief for medical insurance, £135 million; corporation tax, block leakage £190 million, finance leasing £300 million, more finance leasing for sale and lease-back £40 million, company purchase schemes £100 million; trade debt schemes £10 million; VAT cash accounting £15 million.

8 pm

By my rough and ready calculations, the Budget raised tax by £13 billion. Only a few short days before the election, the Government said that there would be no need to increase taxation. The hon. Member for Workington argued with a straight face—he cannot keep a straight face now—that everyone knew that taxes would increase and that it is only £13 billion, so who cares. That will not wash. If he wants to know a little more about it, he should ask the Prime Minister and the Chancellor why they said that there would be no need to increase taxation when, according to his analysis, they knew that that was not true.

In the event, the Labour party, which came to power saying that it would not increase taxation, has increased it by £13 billion. This is one of the biggest tax-raising Budgets in history. I shall give credit where it is due. It is remarkable that the party that managed to produce that huge tax-raising Budget has not yet been rumbled by the electorate.

There are two points to make about MIRAS. Labour Members have said that we started it. It is curious that they justify this change by saying that we did it, so it must be right, even though we are now opposing it. As my hon. Friend the Member for Daventry (Mr. Boswell) explained, when we adjusted MIRAS it was in the context of a downward trend in interest rates.

Mr. Campbell-Savours: No.

Mr. Nicholls: The hon. Gentleman can pick out particular months, but if he sits down later in a reflective mood he will see that when we adjusted MIRAS there was a downward trend in interest rates.[*Interruption.*] The hon. Gentleman can wave his document in the air as much as he wants, but he should read it quietly, and hopefully he will be able to understand it.

When we adjusted MIRAS, we were heavily criticised by Labour Members. They had a principled objection to doing anything about MIRAS, but in today's Labour party the presence of principle is no obstacle to action and change.

To highlight their embarrassment, it is worth reminding Labour Members of what their leaders were saying about our attempts to adjust MIRAS. As recently as March 1996, in a speech to the Labour housing conference, the present Prime Minister "had to say"—because he talks like that—this:

"The first blow the government dealt to homeowners was to cut MIRAS in the 1993 Budget. First to 20 per cent., then a year later to 15 per cent.. . . the effect of all these measures was to add to insecurity, to destroy confidence in the housing market and to make people much more wary of buying and selling homes."

The hon. Gentleman may raise his eyebrows, and I understand how he feels, but that is what the Prime Minister said.

The then shadow Chief Secretary to the Treasury, the right hon. Member for Oxford, East (Mr. Smith), attacked the changes to MIRAS. In a press release in March 1995, he said:

"Many people's living standards will suffer a severe knock when the latest two Tory tax increases take effect in a few weeks' time. These latest tax hikes hit as the Tories continue to argue amongst themselves over the absence of a supposed 'feel good' factor."

We are criticised for suggesting that it is inappropriate for the Labour party to make these changes to MIRAS, but when we made adjustments to MIRAS, we were roundly attacked. Adjustments to MIRAS may or may not be appropriate, but it is clear that Labour Members cannot say that our attack on the Government is inconsistent or intellectually unsatisfying.

Changes to MIRAS do not hit the very rich. Those who recently made a windfall gain of £300,000 or £400,000 by selling their house in London will not be affected by this change. It does not affect people wealthy enough to travel all over the world with their own personal crimper. Alterations to MIRAS have no effect on them whatsoever: to them it is a matter of pence. But such changes affect the people who are just about able to claw their way into the housing market at the very lowest level.

[Mr. Nicholls]

I remember a speech made by the right hon. Member for Chesterfield (Mr. Benn) in which he spoke wistfully of the time when one could go into a council estate and feel at home. He said, "Now you walk down the streets of a council estate and all you see are fake Georgian front doors." That said it all. It showed contempt for the efforts of the very poor to raise themselves above the level of municipal serfdom and get into the property market.

What is so awful about the changes to MIRAS is not the £10 a month that it will cost people—because that is eminently affordable by Prime Ministers, Chancellors of the Exchequer and hon. Members such as the hon. Member for Workington and me—it is the effect that such a sum has on the working poor. *[Interruption.]* It is all very well for the hon. Gentleman to mock. It is a long time since Labour Members, most of whose salaries have doubled, were in the ranks of the working poor.

Such people will have to find another £10 a month because of the change to MIRAS, and a further £20 a month because of the interest rate rises that have already been announced, let alone those that are in the pipeline. For those people, whose plight makes Labour Members giggle, an extra £30 is real money. It is immensely sad that such changes are being proposed by a party that was once the genuine champion of the working poor, but it no longer has any acquaintance with those people: the principles, rhetoric and concerns that used to matter to the Labour party have been Follettised and Mandelsonised out of existence.

I can imagine what is said in Cabinet: "Let's do a bit of tinkering on MIRAS—it won't matter very much because it's only a tenner here and there." That is what happens when a party cannot even fall back on the paternalism that it has disliked over the years, and has deprived itself of its principles.

These alterations will make a small but significant difference to those least able to stand up to their effects. The view that has been put forward in some newspapers is that this measure was taken to dampen the property market. That is ridiculous. I mentioned that in a spirit of fairness, so that the Financial Secretary to the Treasury, the hon. Member for Bristol, South (Dawn Primarolo) could cross it out if it was in her brief. The hon. Member for Workington is right: this will not be a dampener on the property market—far from it.

One of the consequences of the raid on pension funds was to make them a far less attractive option than they were before. People with substantial sums of money to spare, such as Labour Prime Ministers and Labour Members of Parliament, will no longer think seriously about putting money into pension funds and providing for their future. The temptation will be to plough the money back into the property market. Far from the change being a dampener, it will boost the rise in property values. That is great news for those who can make a killing in the London property market by doing nothing more than sitting on their house in Islington, but it is a pretty sorry day for the working poor, whom it will hit most.

Mr. Geraint Davies: This is a sad day for the Opposition. They complained about the guillotine motion, but how many of them are present? Eight. It is a sad and pathetic day. They said, "This is terrible. We haven't got time to debate these crucial issues. We didn't want the Budget anyway." Look at them. What a sad lot.

Would anyone in their right mind agree to the Opposition's amendment, which underlines the fact that they are not serious about the long-term prospects of the British economy but still spend all their time thinking about the short-term political impact, as presented in the media, and the impact on their Back-Bench committees or whoever runs their party in this day and age. They are not interested in the long term. The Chancellor's Budget, however, is about the long term: it is about confronting, realistically, the legacy of 18 years of Tory rule.

We all know what that legacy is. It is a legacy of under-investment in physical and human capital, a massive public sector debt that was out of control and an economy that was overheating and, at the same time, disabled by under-capacity. Every time we have seen a bit of consumption in the economy, it has fed straight into interest rates. As my hon. Friend the Member for Workington (Mr. Campbell–Savours) pointed out, that contrasts with the situation in Japan, which has had a long-term industrial strategy.

The Chancellor, boldly and courageously, confronted the Tory legacy with, for instance, incentives for long-term investment—in the context of corporation tax and taxes on small businesses—and, before that, with his bold changes in arrangements involving the Bank of England. We all recall the master stroke with which my right hon. Friend delegated responsibility for the setting of interest rates to the Bank of England.

That is the answer to the question posed by the hon. Member for Teignbridge (Mr. Nicholls) about interest rates in the longer term. They are falling because the financial markets can see beyond the current blip—the current difficulties with sterling and the like, linked with sentiments about European monetary union and the fact that our current position in the economic cycle is out of synch with Germany's. In the long term, under the stewardship of our present Chancellor, we can expect interest rates to fall, providing the environment for health and wealth in Britain.

As for what has been said about massive taxes, a large proportion of the money that will be raised from the portfolio of activity that has been proposed will be used to reduce public sector debt—in other words, to cut future taxes. We inherited responsibility for paying back interest of some £25 billion a year, which, given the financial system, must have future tax implications. There are transfers; it is not a case of the old tax-and-spend idea that people seem to want to talk about.

Notwithstanding the denials that we have heard, we have a problem with housing. Consumption is increasing, and an extra £30 billion has been injected following the flotation of building societies and the like. This was the right time at which to help to stabilise the housing market by introducing a marginal reduction in MIRAS from 15 per cent. to 10 per cent.

As has been said, the reduction will not have a dramatic impact; it is just a touch on the brake. Given that we have given independence to the Bank of England, if we had not introduced the reduction, home owners would in any event have had to bear the cost in the form of a marginally larger increase in interest rates. The advantage of the

MIRAS reduction is that we can reclaim some of the money and invest it either to avoid debt or to support worthwhile causes.

The changes that we have made are clearly good for Britain and good for the home owner. We do not want to return to the days of boom and bust, when home owners did not know where they were going. Under the Tories, at one moment it was a case of run out and buy a house; at the next, house prices were spiralling; a moment after that, prices were plummeting and people had negative equity. My right hon. Friends the Prime Minister and the Chancellor of the Exchequer are the friends of the home owner.

Mr. Boswell: The hon. Gentleman is presenting an interesting argument, and he has just made an interesting assertion. He suggested that the Prime Minister and the Government were the friends of the home owner. I recall the Financial Secretary to the Treasury saying the other day that she regarded the Government as the friend of pensioners. Is there some propensity among Labour Members to take the maximum amount of damage as an indication of how kind one is to people? If so, would it not have been better to increase taxes by twice as much? The Government could then have helped everyone even more.

Mr. Davies: That might sound logical in a cocktail bar—I am sure that the hon. Gentleman has many friends there—but, in fact, all the measures in the Bill involve long-term rather than short-term considerations.

As the hon. Gentleman has raised the issue of pensions, let me explain what the Bill means in that context. We are creating conditions in which British industry is strong and in which pensions are therefore secure. Moving some expenditure to cut future taxes must also be in the interest of the long term. Similarly, acting in the housing market to end an unstable cycle of change and uncertainty to which home owners cannot adjust must be in the interests of those home owners.

The hon. Gentleman will never learn from his party's recent history of instability, uncertainty, insecurity and fear. That was the legacy of old Britain and the old Tory party, but people are now waking up to the reality that things are improving. They have the greatest confidence in the new Government, and so they should.

8.15 pm

The shadow Chancellor has no idea of financial management, in that he has no idea whether interest rates should or should not have gone up in recent days. He will say nothing, one way or the other. Why? Is he worried about the view of the financial markets, or about the view of Back Benchers—or is he worried that he does not really know the answer? It is probably a combination of all three.

As we know, the amendment is about increases in interest rates after the election. We also know about the meetings between the Governor of the Bank of England and the last Chancellor of the Exchequer, who called the shots in terms of political interest, but held back interest rates against the long-term interests of the economy so that they would surge back after election day. The amendment suggests that the legacy of the last Government's political interference should interfere with the purity and elegance of the Government's proposals.

Incidentally, the amendment and the former Chancellor's behaviour in the past show that monetary and fiscal policy were governed by political considerations and were not designed to meet the country's long-term economic interests. That is why the Tories presided over the old boom-and-bust economy.

Many of us will remember the time when interest rates were at 15 per cent. We remember when we marched boldly into the exchange rate mechanism, and we remember arguments about the rate at which we entered. We did not know what we were doing. Then, suddenly, George Soros did a bit of manoeuvring, and everything collapsed. That was how we ended up, thanks to the politics and economics of the short term, and it is why we do not need any lessons from the wine bar about how to run an economy in the short term. I am beginning to dwell on specific statistics here, but it is preposterous that the hon. Member for Daventry (Mr. Boswell) can sit there and suggest that figures taken from the House of Commons Library today are wrong, although that is typical of the arrogance of the former Government.

I note that no one has bothered to look up the figures given some time ago by the hon. Gentleman. I may as well give them now. In November 1993, the interest rate was 5.5 per cent. It was in the Budget produced at that time that the Conservative Government decided to reduce MIRAS. By January 1996, the interest rate had risen to 6.25 per cent. By that time, we had seen two reductions, from 25 to 20 per cent. and from 20 to 15 per cent.

The behaviour and policy of the last Government were in direct contradiction to the amendment that we are discussing now. The Conservatives do not even remember what they did. Anything that is easy will be cobbled together in an attempt to mount some ludicrous opposition. There is a ragbag of hon. Members complaining about the guillotine. It is pitiful, is it not?

Mr. Brooke: The hon. Gentleman refers to a ragbag that has been cobbled together. What is his verdict on the Government's proposals on foreign income dividends?

Mr. Davies: I am not conversant with the precise nature of that. It will be articulated later, but that does not undermine my point that only a handful of Conservatives Members are in the Chamber barracking the Government.

Mr. John Bercow (Buckingham): For the benefit of the House, will the hon. Gentleman please name an occasion in the previous Parliament when the current Chancellor of the Exchequer, then the shadow Chancellor, gave a verdict on the level of interest rates, saying that they should be higher, lower or at the level accepted by the then Chancellor?

Mr. Davies: That is precisely the point. The current Chancellor has rightly said that the onus for setting interest rates should be on the Bank of England. Conservatives Members are suggesting again that politicians should jump up and down and say that interest rates are too high and are hurting people here and there. The reality is that we need to set a context in which Britain will succeed. That is why my right hon. Friend the Chancellor did not jump about making the verdicts to which the hon. Gentleman refers.

Mr. Campbell-Savours: There was a momentous occasion when our people made their position on the

[Mr. Campbell–Savours]

matter absolutely clear: it was at the time of black Wednesday in October 1993. Conservative Members forget very quickly indeed.

Mr. Davies: The point is well made.

The Conservative party pretends that it is the friend of the home owner. Under the previous Government, home owners suffered the biggest negative equity in history and there were more repossessions than during the highland clearances. No wonder the Prime Minister said what he said, which Conservative Members have taken out of context. When the housing market was in chaos because of the short-termism of Conservative policy, naturally he said that that was not the time to reduce MIRAS, particularly given the wider economic problems that they had created, but the situation has changed.

Conservative Members talk about trust and say that, before the election, they did not know precisely every detail of what Labour was going to do. Of course they did not. There is no historical precedent for that. A newly elected Government will not have a plan for all the five years of the Parliament, detailing everything that they will do. We gave the thrust of what we were going to do, which was about putting people back to work, creating conditions for economic strength and creating a fairer and better Britain to face the new millennium.

Mr. Bercow: Will the hon. Gentleman give way?

Mr. Davies: Yes, I am happy to do so, because I am running out of things to say.

Mr. Bercow: I am grateful to the hon. Gentleman. I will wager that I have marginally more to contribute to the exchange between us than he has to offer in reply. The hon. Member for Workington (Mr. Campbell–Savours) referred to white Wednesday. I can state beyond peradventure that, in the context of the interests of home owners, I would not wish to see a return to the extended recession mechanism, but will the hon. Member for Croydon, Central (Mr. Davies) tell the House whether, in his judgment, re-entry to the extended recession mechanism would assist or hinder home owners?

The Second Deputy Chairman: Order. I remind the House that the amendment refers to mortgage interest payments, and I would be extremely grateful if hon. Members on both sides of the House confined their remarks to that matter.

Mr. Davies: The extended recession mechanism is a code name for the Conservative party, I presume. I will take your advice, Mr. Lord. We do not want to delay the Committee. All I say in passing is that one of the problems that we face is that exchange rates are too high because of the dilly-dallying and delaying of various decisions.

Mr. Damian Green (Ashford): Are exchange rates too high now?

Mr. Davies: As perhaps the hon. Gentleman should know, Britain is quite high in its economic cycle relative to Germany. In addition, the financial markets are concerned about moving towards European monetary union on 1 January 1999, by which time the convergence criteria will not be met by all parties, particularly Italy and Spain, so Britain is being used as a safe haven for money. That is unfortunate for many British manufacturers, particularly those in the midlands, but the answer is not just the Chancellor and the Prime Minister being tough, insisting on the right convergence criteria and not supporting premature entry without it; it is also about providing pricing stability, which we have established through giving the Bank of England more independence, to ensure stability for manufacturers.

The shadow Financial Secretary and I were with the chairman of Ford today, and he was saying that he wants stability. He is getting that from the new Labour Government.

Mr. Boswell: Will the hon. Gentleman give way?

Mr. Davies: I was going to end there, but as the hon. Gentleman is here, I shall give way.

Mr. Boswell: Although I thought that we had an interesting time at Ford, I do not recall the conversation to which the hon. Gentleman refers, but it has just occurred to me that he must have uttered at least 400 words since my hon. Friend the Member for Ashford (Mr. Green) asked him whether exchange rates were too high. I should have thought that it required only one word—yes or no—but I have not heard it yet.

Mr. Davies: I do not know whether this says anything about the hon. Gentleman, but the chairman of Ford chose to sit at my table, not his. Because of that, the hon. Gentleman would not be aware of all the comments were made. Obviously Ford does not represent the British economy. It has a mixed view of different exchange rates because it spends on inputs and outputs and it acts on a European and global basis, but we had an enjoyable time.

I shall not dwell on the matter any further. The point is simple. The amendment does not stand up to any interrogation. It does not command much Opposition support, as we have seen from both the quantity and the quality of commentary. Moreover, the Budget, in terms of the financial markets, share values and the British public's level of confidence, has been given the thumbs up. I am happy to suggest that hon. Members do not support the amendment.

Mr. Tim Collins (Westmorland and Lonsdale): I greatly enjoyed the speech of the hon. Member for Croydon, Central (Mr. Davies), for two reasons. He said that the Prime Minister is a friend of home owners. I suspect that the only home owner of whom the Prime Minister is a sincere friend is any home owner who can stump up 675,000 readies to buy his luxury home in Islington.

The other point that I greatly enjoyed was the hon. Gentleman's statement that the shadow Chancellor of the Exchequer should be criticised for not commenting on interest rate movements. When my hon. Friend the Member for Buckingham (Mr. Bercow) pointed out that the present Chancellor failed to comment on any interest rate movement throughout the past five years, the hon.

Gentleman said that politicians should not jump up and down and comment about interest rate movements. A little consistency in his speech would have helped.

Like me, the hon. Member for Workington (Mr. Campbell–Savours) is a Cumbria Member. He said that the economy is palpably overheating and had been clearly overheating for some months, so everyone knew that tax increases would be necessary, whoever formed the Government after the general election. People who believe that the economy is overheating must have been confused by the Labour party's constant references throughout the past year or 18 months to the idea that we were still in a recession.

If it were palpably obvious that the UK economy was overheating, I wonder why it was that, whenever figures came out showing that interest rates were moving in the right direction and, in particular, that unemployment was coming down, the Labour party's reaction was not to say, "That is further proof that the economy is overheating", but, "Those figures are all fiddled. Unemployment is not falling at all." How is that consistent with this palpable vision of an overheating economy?

A point with which the hon. Member for Workington might agree is that, whatever the state of the economy in London and the south-east, it is very difficult to sustain the case that the economy is overheating in our part of the country. He knows that I am fortunate enough to represent one of the more prosperous parts of Cumbria, but we both know Barrow—it is not far from our constituencies—and he would agree that, if one told people there that the UK economy was overheating and needed to be damped down, one would be greeted with a hoarse laugh. There is still great unemployment in the area, and there is no real evidence of anything other than the first rosy fingers of dawn rising over the horizon for economic growth. It is difficult to sustain the case that the economy is overheating and that the first action of an incoming Government must be to wallop £13 billion of tax increases on to that economy.

8.30 pm

Mr. Campbell–Savours: Do I presume from that that the hon. Gentleman is prepared to accept that there is overheating, but only in one part of the country—the south-east? If it is the case that property prices are higher in that region, may I presume also that he supports our position on stamp duty?

Mr. Collins: The hon. Gentleman would not expect me to support the Government's position on stamp duty. He said that all voters across the UK knew for a fact that the economy was overheating and that taxes would have to rise, whoever won the election. That is not sustainable.

There is another important reason why people did not believe that interest rate rises and then tax rises would be necessary after the election. People will recall the great public relations stunt performed by the Prime Minister when he was Leader of the Opposition. A large poster was displayed which said that Labour pledged not to increase income tax rates for five years. The poster was signed "Tony Blair". The hon. Member for Workington may have had a similar experience to me in terms of people's responses on the doorstep during the election campaign. People took that poster and the series of pledges—including those referred to by my hon. Friend the Member for Teignbridge (Mr. Nicholls)—to mean that there would be no tax rises at all.

I tried to explain during the election campaign that the poster meant not that the Labour party was promising not to increase any taxes, but merely that it would not increase the basic rate and the higher rate, but could increase direct taxes in all sorts of ways. People replied, "Mr. Blair has said that he will not put up taxes at all." That is what the public believed, and that is the basis for any spurious mandate that Labour may believe that it has.

Mr. Bercow: In addition to being an assiduous representative of his constituents, my hon. Friend is an established and well-respected student of political theory. Does he agree that it is lamentable that Labour did not state in its election manifesto that it intended in this Parliament to reduce tax relief on mortgages when it has always prided itself on being the party that believes in the mandate theory of political representation—in other words, a party that receives a mandate is entitled to do whatever is in its manifesto? Does he agree that that reduction was not in Labour's manifesto and that it is particularly outrageous that, without notice or forewarning, the Government should now propose that highly damaging measure?

The Second Deputy Chairman: Order. Can we have brief interventions please, and not minor speeches?

Mr. Collins: I am grateful to my hon. Friend, and I am also grateful that the Financial Secretary to the Treasury is paying attention. Had she been in the Chamber for the previous debate, she would know that the entirety of the Paymaster General's argument for the windfall tax was that it was in the manifesto which was endorsed by the public, and therefore it must go through. That argument cannot apply to what we are considering now. The reduction in MIRAS was not in the manifesto, nor was it addressed in the election campaign. There is no mandate for it.

Mr. Jim Murphy (Eastwood): I have listened with interest to the hon. Gentleman's version of political theory. Does he apply that analysis to the Conservative party's pledge on VAT on domestic fuel? Will he take the opportunity to apologise for the previous Government—his party—introducing VAT on domestic fuel, or is it only the current Government who have to keep their pledges?

Mr. Collins: I am grateful to the hon. Gentleman for allowing me to nail one of the most pernicious pieces of mythology passed around by the Labour party during the last Parliament. If he studies the 1992 Conservative manifesto, he will find that there is not one single reference in the document to any pledge concerning VAT. It is simply untrue that the previous Government breached any manifesto pledge on VAT. The Labour party manifesto made no mention of MIRAS, yet we are facing substantial changes in it.

Mr. Murphy: That is not an answer. *[Interruption.]* Well, it is an answer, but it is not an answer to my question. Does not the fact that the increase in VAT was not in the Conservative manifesto make it even worse? The manifesto did not contain that pledge, and no mention was made of it; yet the previous Prime Minister stood at the Dispatch Box and announced that VAT on fuel would

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be introduced. Had it not been for the then Opposition preventing him from doing so, the charge on pensioners and the poor would have been greater.

Mr. Collins: I gave a clear answer to the hon. Gentleman's charge, which was that we breached a manifesto pledge. We did nothing of the sort. If he is arguing that, before a party introduces a tax increase, it should announce it in its manifesto, he is making my point for me, which is that the Labour Government should have pledged to tinker with MIRAS.

In moving the amendment, my hon. Friend the Member for Daventry (Mr. Boswell) linked changes in MIRAS to changes in interest rates. Another important principle—which was, broadly speaking, adhered to by the previous Government, even in the adjustments that they made to MIRAS—is that the rate of MIRAS should be related to the basic rate of income tax. Two adjustments were made to MIRAS during the last Parliament. The first was to reduce it to 20 per cent. That was set out clearly as the long-term objective for the basic rate of income tax. By the time that the previous Government left office, they had made substantial progress towards reaching that rate. The basic rate had been reduced to 23p, and a large number of people were already paying at a rate of 20 per cent.

The second adjustment was to reduce MIRAS to 15 per cent. I believe that, over time, it was possible to believe that a Government who had reduced the basic rate from 33p, and then most of the way to 20p, could set a target of a basic rate of 15 per cent., at which point MIRAS and the basic rate would have been reunited.

I remember an excellent speech by my hon. Friend the Member for Buckingham at a Conservative party conference in the 1980s, when he received a standing ovation for proposing that the Conservative party should set a target of a 15p basic rate of income tax. He was greeted by the then party chairman—as I greet him now—as a future Chancellor of the Exchequer.

The difficulty now is that the level of MIRAS being set by the present Government—10 per cent.—is not intended to be related in any way to any target for the basic rate. The Labour party has said that it wishes ultimately to set a starting rate of 10 per cent., but it has no target for the basic rate. Notably, the Budget made no progress towards introducing a 10 per cent. starting rate even at the lowest and smallest level. So the Budget and the Finance Bill have removed any semblance of a relationship between the rate of MIRAS and the basic rate of income tax. That is a dangerous and pernicious development.

What is the purpose of MIRAS? It is, explicitly and rightly, a subsidy of home ownership. Many things are subsidised in the tax system. A generous level of MIRAS subsidises something that is important in our society. Wider home ownership is one of the great achievements of 18 years of Conservative government. Millions more people became home owners as a result of successive changes in financial and other legislation made by the last two Prime Ministers and successive Chancellors.

Dawn Primarolo: I have been listening carefully to the hon. Gentleman. Will he explain why the Chancellor of the Exchequer in 1993, Norman Lamont, gave two reasons for his reduction in MIRAS—first, that the Government needed the revenue and, secondly, that the reduction helped to spread the pain?

Mr. Collins: I am sure that the hon. Lady will recall, as I do, that Norman Lamont said clearly that one of the reasons for picking 20 per cent. for the first reduction—I made it clear that there were two reductions, first to 20 per cent. and subsequently to 15 per cent.—was that it was the long-term target for the basic rate of income tax. I am sure that other factors were involved.

If the hon. Lady says that the reduction was justified then and is presumably justified now for the purpose of raising revenue, one wonders why the present Prime Minister was so scathing about the Conservative Government's reduction, even three years later. He did not say, "We are in favour of higher public spending. We might not have increased taxes in quite this way, but it was necessary to do it." The Prime Minister said that the reduction in MIRAS was a pernicious Tory tax increase. What is sauce for the goose is sauce for the gander.

Dawn Primarolo: The hon. Gentleman has laid out the case that there was a logical and reasonable basis to the previous Government's decisions on MIRAS, and that they were guided by principles related to the housing market. Will he confirm that the then Chancellor of the Exchequer made it crystal clear in this Chamber that the reduction in MIRAS was a revenue-raising measure? He did not link it to the housing market, whatever might have been in his mind for the future.

Mr. Collins: Any tax increase is clearly made for a number of reasons. Raising revenue is likely to be one of them. One of the reasons why MIRAS was reduced by a Government who were, unlike the present Government, not ideologically in favour of increasing taxes for the sake of it was to plug the gap in the nation's finances caused by a global recession. I am sure that that was a factor. If the hon. Lady goes back and checks in full all the remarks made by the then Chancellor of the Exchequer, she will find what was his thinking. If all that he had been interested in doing was raising as much revenue as possible, he would not have picked a particular level but would have abolished MIRAS entirely.

The Financial Secretary will know that plenty of so-called experts believe that it would be a good idea to sweep MIRAS away. I believe that there is a philosophical and general case for a good level of MIRAS throughout the system. The hon. Lady will know that it is not enough to say, "We need to raise more revenue." If one does that, one whacks taxes up immediately. That is the answer to the hon. Lady's point. I now return to what I was saying before she interrupted me.

8.45 pm

There is a general case for mortgage interest tax relief. Wider home ownership was a huge achievement of the past 18 years. It helps to underpin social stability. On housing estates, there is now mixed ownership. Communities in places such as Westminster, in the environs of the House, which has a mixture of public sector and owned housing, are more stable. There is a wider spread of ownership, and more people feel that they have a stake in society. That has always been at the heart

of Conservative philosophy. It is one of the differences between the two parties. It is why a Conservative Government, against ferocious Labour opposition, took through the right-to-buy legislation.

MIRAS is part of the same philosophy. It is based on the belief that, if people own their homes and are responsible for them, they will look after them better. They will have something to pass on to future generations. They will have a centre that they feel belongs to them rather than to others—as people always feel when they live in public housing. That is why widespread home ownership is a good thing, and why it is right to have a subsidy for home ownership in the tax system.

If the amendment is not carried, the Committee will endorse an agenda of the Government that will see not only successive reductions in MIRAS but its elimination, and the disappearance of the belief in a subsidy for home ownership in the tax system. That would be much to be regretted. It would be a retrograde step and we should oppose it.

Jacqui Smith (Redditch): Is there not a certain illogicality in proposing that a tax subsidy in the housing market to promote home ownership is effective, while arguing that a subsidy in the labour market to promote employment is ineffective? Research would seem to suggest that there is a much larger deadweight effect in the housing market—in other words, people would still buy their houses if they did not receive tax relief—than in the employment market. The Government propose to provide a subsidy to create jobs for people, which must surely be important.

Mr. Collins: I agree with the hon. Lady that there is a strong case for a subsidy of both home ownership and employment. That is why the previous Government introduced family credit. The argument that she uses to undermine the argument for subsidising home ownership could be played back to undermine all the remarks made by Labour Members against family credit. Family credit was targeted at subsidising people to find work. So were the changes introduced by the previous Government in national insurance. Those changes were far more effective than others set out elsewhere in the Budget. However, I can see, Mr. Lord, that you are asking me to return to the amendment. I was tempted off it by the hon. Lady.

I conclude with the clinching argument for the amendment. It explicitly links the change in MIRAS to interest rates. In so doing, it rightly puts the spotlight back where it should be, on the first and probably the most important decision that the Government have taken—the transfer of control of interest rate movements away from democratically elected Ministers accountable to the House to an unelected body, the Bank of England.

Those hon. Members who can receive Channel 5 may have seen last night a film entitled "Runaway Train". It was about a couple of hardened convicts played by Jon Voight and Eric Roberts. The runaway train was piling through the Alaskan landscape out of control. I forget the names of the two hardened criminals in charge of the train, but one was older and more seasoned—let us call him Eddie—and the other was younger and more inexperienced—let us call him Gordon. They were out of control. Every time that the signals told them to go on a different track, they crashed through. Whenever there was an obstacle in the way, the train crashed through, splinters and branches everywhere. People in its way were mown down, limbs strewn left, right and centre.

The Government's management of interest rates has created a runaway train. The amendment, modest though it may be, would put something of a brake on it by providing that, until interest rates are brought back down, the Bank of England cannot have what it wants: a reduction in MIRAS. I hope that the Committee accepts the amendment before we all get run over by the runaway train.

Mr. Cranston: Conservative Members have presented themselves as the home owner's friends. In 1979 and subsequent years, home ownership is supposed magically to have increased. The fact is that, since the first world war, the trend of home ownership has been up, and the trend of rental accommodation down. Some of my constituents would be surprised by the Conservatives' claim, because they suffered severely in the late 1980s and early 1990s when their houses were repossessed. They certainly do not regard the Conservative party as the home owner's friend.

The hon. Member for Daventry (Mr. Boswell) spoke about a material breach of trust. It seems to me that there is a material smell of hypocrisy here. The rate of relief was reduced from the basic rate to 20 per cent. in 1994, and to 15 per cent. in 1995. He tried to explain that by saying that the context was the downward move in interest rates. My hon. Friend the Member for Workington (Mr. Campbell-Savours) challenged him, and the claim then became a downward trend of interest rates. The fact is that the figures from the Library support neither notion.

The hon. Member for Teignbridge (Mr. Nicholls) worked himself into a lather about how the MIRAS change would adversely affect the working poor. He did not seem to know much about poverty. Again we can identify hypocrisy, because Conservative Members oppose the minimum wage, which would greatly benefit the working poor. Some people in my constituency earn £3, or even £2, an hour, yet Conservative Members oppose a minimum wage.

There are two reasons for clause 15. First, the Government intend to introduce some stability into the housing market. Coupled with the stamp duty proposals, this measure will achieve some stability. The impact will vary around the country and, as with any fiscal measure, it is not possible to produce an absolutely certain result, but when enacted, clause 15 will have a beneficial effect through greater stability in the housing market.

The second reason for clause 15 relates to social justice, a notion mentioned by Conservative Members. In the past, mortgage interest tax relief cost huge amounts of money. As the hon. Member for Westmorland and Lonsdale (Mr. Collins) said, it was a subsidy—a huge subsidy—to home owners, but it worked in a most regressive fashion. It benefited the better-off. Conversely, under the Conservatives, there was a massive decline in expenditure on social housing. Expenditure on housing benefit went up, but only to subsidise people already in rented accommodation.

So little new social housing has been constructed recently that many people have no access to decent housing. That is the context. As Dr. Williams of the

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Council of Mortgage Lenders has pointed out, reductions in the rate have made the impact of MIRAS more progressive, but it remains an untargeted subsidy.

Mr. Green: The logic of the hon. Gentleman's argument is that mortgage interest tax relief should be abolished. Is he urging that on his Government?

Mr. Cranston: The hon. Gentleman anticipates me. I was going to remind the Committee that, on Second Reading, I said that I hoped that the Government would consider the case for a targeted subsidy for home owners that would assist people on low incomes to buy their own homes. I have been influenced by the detailed work of Shelter, which has campaigned so well over the years for people who do not have access to decent housing. There is a need for targeted assistance, and I hope that the Government will seriously consider it. The implication is that ultimately I want this untargeted subsidy to be abolished.

Mr. Bercow: In his general election literature, did the hon. Gentleman give any indication that he favoured the ultimate abolition of mortgage interest tax relief?

Mr. Cranston: One can say only a limited amount in one's election address, as hon. Members well know. I told the House that I wanted the Government to consider the matter in coming years.

Finally, I want to deal with the amendment. I have never seen such a pathetic attempt at an amendment. Its intention is clear—the change would not come into effect until interest rates had fallen below a certain level—but it is badly worded. It talks about the average mortgage rate coming down, whatever that means. My hon. Friend the Member for Workington referred earlier to the tables of mortgage rates that appear in *The Sunday Times*, and other organisations, such as the Halifax, also publish such tables. It behoves the Opposition to explain what is meant by the phrase "average mortgage rate".

One should bear in mind the uncertainty that would be created if the amendment were carried, not least because it would not be put into effect until some time in the future which we cannot identify, and which is not identifiable from the proposed legislation. One of the important principles of tax law is certainty, and the amendment would lead to a great deal of uncertainty. I shall certainly oppose it.

Mr. Green: I support the amendment in the interests of home owners in my constituency and around the country. Secondly, and possibly of equal importance, I support it on the basis of the arguments that we have heard on both sides of the Committee in what has been a fairly lengthy debate. The poverty of the argument in favour of the Government's case for reducing MIRAS is now clear to those of us who have followed the debate.

I should like to pick up on some of the points made by Labour Members. First, however, I should like to refer to the comments of my hon. Friend the Member for Teignbridge (Mr. Nicholls), who said that one of the most scathing attacks against the principle of cutting MIRAS came from the Prime Minister. The hon. Member for Croydon, Central (Mr. Davies) said that those comments were quoted out of context; I shall give him that context—it was a speech to a Labour housing conference. That attack was the central point of the right hon. Gentleman's speech. He argued that cutting MIRAS would add to insecurity, destroy confidence in the housing market and make people much more wary of buying and selling homes.

9 pm

Labour Members have argued that it was possible to make that argument in the early 1990s, when the housing market was in recession. I should point out to those hon. Members, to put the speech in its proper context for them, that not only did the Prime Minister make his speech to a housing conference, but he did so in March 1996, some years after the recession in the housing market of the early 1990s. It is quite clear that the right hon. Gentleman wanted to give home owners throughout the country the impression that he was against any further cuts in MIRAS in principle. It is a bit rich for a Government to introduce a measure in their first Budget, a few weeks after taking office, which so blatantly reneges on a commitment made by their own leader.

Mr. Brooke: Does my hon. Friend remember likewise that that speech was foreshadowed as a major statement of Labour housing policy?

Mr. Green: Indeed I do. That makes the behaviour of the Labour Government all the more disreputable, because almost their first act relating to the housing market reneges on that commitment.

The second argument that we have heard from Labour Members is that somehow the measure is designed to cool down an overheating housing market. We heard that argument most eloquently from the hon. Member for Workington (Mr. Campbell-Savours). There are several reasons why that argument does not hold water.

The first and most obvious is that the Government do not intend to introduce the measure now, but from the spring of next year. If they really believe that the housing market is overheating now, they should introduce a measure to control it now. They should not introduce measures that will be enacted in practically a year's time.

I thought that the country had learnt that classic lesson about fiscal policy in the 1960s and 1970s. Attempts to use it to fine-tune the economy when it is either overheating or cooling down always go wrong, because the timing is always wrong. That truism has been accepted by the authors of all economic textbooks, and it seems to have reached people in every part of the country except those on the Treasury Bench. What they propose is not an effective means of cooling down a housing market that may or may not be overheating.

Even if the Government thought that such a measure was effective, they should look at the facts produced by those who know about the housing market. The Halifax, which constructs possibly the largest house price index, made it clear in its June report that that month's figures support its view that the housing market is recovering slowly and not at the pace that some commentators would suggest. There has been no growth in transactions between April and May, so it said before the Budget:

"there is no need for any specific Budget measure aimed at curbing an allegedly 'booming' housing market . . . Prices paid by first-time buyers fell by 0.6 per cent. in June and is the first monthly fall since January."

So not only will this measure fail to cool an overheating housing market, but according to our best evidence the housing market is not overheating anyway. So the idea is both ill conceived and unnecessary.

Thirdly, I want to pick up a point made by the hon. Member for Dudley, North (Mr. Cranston) about the impact on the property market, especially households with low incomes. As the hon. Gentleman said, the Council of Mortgage Lenders has pronounced on the matter, but it said the very opposite of the impression that the hon. Gentleman gave us:

"The restrictions imposed on mortgage tax relief in recent years mean that now it is a better source of targeted help to households on low incomes. Nearly 5 million home buyers, about half the total number of home owners who are in receipt of mortgage tax relief, have incomes of less than £20,000."

They will be the very people hit hardest by the measure, which will mean more to those on relatively low incomes.

Mr. Cranston: Admittedly, the effect of the tax is now more progressive—but purely by accident. Hence my suggestion that ultimately a more targeted benefit ought to be considered by the Government.

Mr. Green: I shall deal later with targeted benefits. Whether by accident or design, I am glad that the hon. Gentleman admits that it is now a targeted benefit. It helps home ownership, which is a good thing; and at the moment it particularly helps home owners on relatively low incomes. That seems to me an ideal subsidy.

The CML goes on to make the point that previous cuts in mortgage tax relief took place against a background of rapidly falling interest rates, and that the move proposed by the Government will mean an increase of 1.25 per cent. in mortgage rates for lower-income households. The hon. Member for Dudley, North quoted the deputy director general of the CML, Peter Williams. What he said in full was:

"The Government should understand that further cuts in mortgage tax relief do not represent a zero-cost option. Ill considered action on mortgage tax relief based on short-term expediency of releasing funds for other programme priorities is likely to damage home owners and the housing market indiscriminately."

Mr. Stevenson: I want, first, to reassure the hon. Gentleman that, although his Front Benchers are not listening to him—they have been absent for 20 minutes—we are. Secondly, as regards the housing policy credibility of our respective parties, will he remind the Committee which Government presided over the worst ever crisis in housing and home ownership? It resulted in 1,000 repossessions a week, and has continued from the late 1980s to this day.

Mr. Green: When the housing recession occurred, the Conservative Government put in place a rescue package for those who were in trouble. This Government are hitting householders in two ways: cutting mortgage tax relief, and steering an economic course that has made interest rates go up. The Government are walking into another housing crisis. Because their spending priorities lie elsewhere, unlike the previous Government in the early 1990s, they will not want to organise a rescue package for those hit by negative equity. Labour is not interested in home owners, and we can be quite sure that the measures in the Budget that will damage the housing market will not be made up for by any rescue packages.

There are some who agree with the hon. Member for Dudley, North that there should be changes. Some groups are not instinctively in favour of home ownership and have argued for different types of housing subsidy. Even they, however, are not in favour of the measure. The Shelter briefing on the 1997 Budget says:

"The announced cut in MIRAS will hit the poorest owner-occupiers hardest".

That is hardly a piece of central office propaganda. When a Labour Government introduce a measure that alienates millions of home owners and Shelter at the same time, they should realise that they are on the wrong tack.

Shelter states:

"For those on low incomes, a monthly increase in mortgage payments of around £10 per week will be critical to their budget . . . Reductions in the level of MIRAS ought to be redirected into a mortgage benefit or mortgage security scheme."

The Government have given us the worst of all worlds. They are hitting the home owner, while not doing anything that might meet the demands of those who misguidedly think that a specific and more targeted form of tax relief for certain classes of home owner would be more effective.

We can see the outlines of the effect of the measure if the Government do not accept our amendment and proceed with their original policy. There will be continuing uncertainty in the housing market, which will inevitably spill over into the wider economy. Labour Members have repeatedly said that they want a climate of certainty. No home owner and no prospective home owner can be certain about the housing market because of the Government's actions.

Contrary to all their words and propaganda before the election, the Government's first action is to cut mortgage tax relief. They will give no guarantee that they wish to preserve mortgage tax relief through this Parliament, and are being urged by their Back Benchers to get rid of it. That is a recipe for uncertainty, and will damage the housing market for years to come.

The Government are making mortgage tax relief less and less of a cushion for home owners when interest rates rise, as they are doing. As the financial markets have become increasingly uncertain about the Government's grip on the economy, they have put up interest rates—those interest rate rises are likely to go further. Home owners have every right to be uncertain and prospective home owners are even less likely to want to enter the market, which will create a spiral of decline.

The motivation behind the measure is clear: it is the Labour party's underlying hostility to home ownership and home owners. The measure is a traditional Labour measure. The Labour party does not like home ownership; its members regard it as a Conservative ideal, which it is. It gives people a direct, individual stake in society. It is one of the cornerstones of Conservative philosophy, and has always been opposed by the Labour party.

The Budget proves that, whatever weasel words were spoken before the general election, one of the Government's first acts on taking power has been to

[Mr. Green]

damage home owners and the housing market. Many millions of home owners will feel betrayed by the Government, the Budget and this particular measure.

Mr. Jim Murphy: I am grateful for this opportunity to speak in the debate. I shall attempt to be brief—a lesson that I am learning from listening to the less than factual contributions of many Conservative Members.

I welcome the broad thrust of the Finance Bill. Having listened to this debate for many hours this evening, I welcome the fact that the guillotine has been used. If Labour Members had to sit and listen to even more of the sort of contributions made by the last three or four Conservative Members to speak, they would jeopardise many of their sensibilities.

We are discussing a 23-word amendment. At different times during the debate, there have been anything between six and, at the current top rate—I have obviously brought the crowds in—nine Conservative Members in the Chamber. Although we are not having an education debate, I calculate that the figures show that we have had between two and a half and three and a half words per Conservative Member. I have been advised that, at some points, the Opposition Front Bench has been empty.

It took the hon. Member for Westmorland and Lonsdale (Mr. Collins) 23 minutes to offer his murmurings and protestations on the 23-word amendment to the Labour Budget. He offered no analysis of what Conservative Members would do to improve the economy and bring long-term stability. Until Opposition Members are able to do that, they will be found wanting, and I suspect that they may, as a consequence of that and other things, lose the vote tonight. *[Interruption.]* That is a dangerous prediction, but I suspect that it will be accurate, because only six or nine Conservative Members are present.

I spoke on Second Reading, which was very interesting—more so than tonight's debate. The hon. Member for Daventry (Mr. Boswell) paid me a welcome compliment on my remarks that evening.

9.15 pm

The hon. Member for Grantham and Stamford (Mr. Davies) also contributed to the Second Reading debate. Alone among Opposition Members, he has been honest enough to say what the Opposition would like to do about MIRAS. I shall quote two comments that he made in his speech that evening. When asked by the Economic Secretary to the Treasury what the Opposition would have us do, first he said that he would not reduce VAT on fuel, because that would be

"a perverse thing to do."

It is making an unusual and warped value judgment to suggest that reducing charges for the most vulnerable members of our society would be perverse.

More important for tonight's debate, when the hon. Member for Grantham and Stamford was asked about MIRAS—the next Opposition Member to speak may choose to agree or rebut, criticise or congratulate—he said:

"I would have got rid of mortgage interest relief altogether."—[*Official Report*, 10 July 1997; Vol. 297, c. 1120.]

That is a telling statement of the feelings of many Conservative Members; thus far, it has been the only statement by any Opposition Member on what they would have us do. Until such a claim has been rebutted or clarified, I, for one, will take that as a statement of what the Conservatives would have done if they had been in government.

The hon. Member for Ashford (Mr. Green) made what seemed, at least to me, an unusual comment—he mentioned Shelter's briefing on the Budget. It is unusual for a Conservative Member to compliment Shelter, as the previous Government did so much to bolster its business. That is one of the businesses and organisations to which the previous Government did bring increased funding and increased business—because of their housing policy, the number of repossessions, the amount of negative equity and the difficulty caused to what have been described tonight as "the working poor".

We all know the essential details of the measure reducing MIRAS to 10 per cent. It has been welcomed by the Confederation of British Industry and others because it helps to place our public finances on a sound footing. It helps to create a system of stable economics. it removes once and for all the concept of boom and bust—that has been a litmus test of economic policy—and I am reassured by the fact that it prevents overheating in the property market. If we are talking about the working poor, as the hon. Member for Teignbridge (Mr. Nicholls) did tonight, that fact in itself is of great benefit to those at that lower end of the property market.

Mr. Loughton: If the hon. Gentleman believes that the reduction in MIRAS will end the boom-bust syndrome in the property market, why have the Government not abolished it? Why have they introduced other measures in the Budget, especially that to remove ACT from equities—which has direct consequences for property investment by pension funds, among others—that will cause a marked return to a boom, which will inevitably be followed by bust in the not-too-distant future?

Mr. Murphy: I thank the hon. Gentleman for that interjection. The Labour party takes a balanced approach to those issues. We are talking about a 5 per cent. reduction, whereas the previous Government brought about a 10 per cent. reduction. We are moving away from boom and bust towards long-term economics. I believe that the hon. Gentleman will be one of the next speakers in the debate and I look forward to hearing what he would have done in terms of MIRAS and all the other policies in the Finance Bill, were the Conservatives in government.

The hon. Member for Daventry (Mr. Boswell) said earlier that the Labour party was involved in an enormous "material breach of trust". I do not know why he asserted that—nothing could be further from the truth.

Mr. Boswell: The hon. Gentleman will appreciate that, even if I complimented him on his last speech, I do not always have to do so. The point is that the then Opposition set itself up as somehow vested with moral superiority. They said that they would keep all their pledges, which the previous Government had not done, and that there would be no tax increases. There was also a specific

exchange with a constituent of mine. I await with interest the Financial Secretary's explanation of what I rightly described as a "material breach of trust".

Mr. Murphy: I thank the hon. Gentleman for that interjection. He clearly did not read our manifesto in detail, or the 12 ft by 8 ft posters about our tax policy, which were put up throughout the country. I was grateful to the hon. Gentleman for his compliments on my speech; he will be aware that, thus far, I have not complimented him on his speech, because it was devoid of coherent argument. I hope that any other speeches he makes this evening will redeem the quality of his argument.

The electorate are in no doubt who breached their trust before the election and, to an extent, since the election. They showed clearly that the Conservatives were distrusted on the economy and had surrendered that ground to the new Labour party. They believed that the Conservatives were the party of boom and bust—the party of the few rather than the many—and that the Labour party was the exact opposite: we believed in long-term economic prosperity and understood how to deliver it, and we believed in governing for the many rather than just the few.

Conservative Members sometimes find it uncomfortable to talk about polling evidence. I contend that it is sometimes helpful for politicians to be in touch with public feeling and public opinion. That is one reason why we sit on the Government Benches putting forward our Finance Bill, while Conservative Members sit on the Opposition Benches with a 23-word amendment which will do nothing to improve the economy. Nevertheless, in opinion poll after opinion poll before and after the general election, the public realised that the previous Government's inactivity and economic impotence brought about repossessions and negative equity.

More important than any headline figure, the individuals who make up that polling evidence want long-term economic stability. They want to be able to plan their lives for the next five or 10 years, which is why people, especially my constituents in Eastwood, welcome the idea of long-term planning. Even after the reduction in MIRAS, families with a £50,000 mortgage are £250 better off than they were at the high point of interest rates under the previous Government.

We have heard much this evening about how Labour has allegedly lost touch with those who represent the "working poor". In addition to the contents of the Finance Bill, which will help those very people and bring about long-term prosperity, it is important to consider what we have done in respect of education for those people, and what we will do in respect of the health service for the majority of our population, and in respect of job opportunities to ensure that many more people are working and many fewer people are poor.

That is why I am eager to lend my support to the Finance Bill. With reference to the working poor, I want to ensure that many more people are working and far fewer are poor.

Mr. Robert Walter (North Dorset): I hope that the Committee will forgive me if I rise to the challenge of the hon. Member for Eastwood (Mr. Murphy), who asked what we would have the Government do. We would not have introduced a Budget at this time, so we would not be debating the Finance Bill. We would not be introducing a windfall tax or a tax on pensions and pensioners, and we would certainly not be instituting an increased tax burden on home owners, which is the subject of the clause and the amendment.

I shall try to confine my remarks to the reduction in MIRAS and the implications for home ownership. From the contributions that we have heard this evening, it is clear that Conservative Members are concerned about that, whereas Labour Members seem less concerned.

I congratulate the hon. Member for Dudley, North (Mr. Cranston) on his honesty and frankness with the Committee when he said that he wanted the total abolition of mortgage interest tax relief. From the answer he gave, I suspect that he was not so frank with his constituents at the last election, which may be a pity. None the less, I am sure that they are all avid readers of *Hansard* and that they will be put right tomorrow morning.

The clause is a mean measure. It fails to meet the criteria or the rhetoric in the Chancellor's Budget statement. In his concluding remarks in that statement, the Chancellor said:

"The measures that I have announced today for stability, for investment . . . will make Britain better equipped and more ready to face the future with confidence.

Previous Budgets pursued the short-term interests of the few. This Budget advances the long-term interests of the many. It is a Budget that equips Britain for the future—meeting the people's priorities. It is a people's Budget for Britain's future."—[*Official Report*, 2 July 1997; Vol. 297, c. 316.]

For this measure, the people will pay. In the first year of its introduction, they will pay £900 million. I am sure that people will be delighted with that contribution to their long-term investment in their homes and in home ownership.

MIRAS is not as relevant to the well-heeled Member of Parliament or to the City whiz kid as it is to those on middle incomes and below. Currently, 68 per cent. of homes are owner-occupied—an increase from 56 per cent. in 1979. Four million new home owners have benefited from the Conservative approach to home ownership, of which MIRAS was but a small part.

The Conservative approach to housing is based on three core values: choice, opportunity and responsibility. Choice is central to our policy. We believe that individuals, not Government, know what is best for them and their families. In housing, the state's role is to ensure a diversity of provision to extend choice as widely as possible. Opportunity is closely related to individual choice, and we believe that we should create greater opportunities for investment and innovation in housing to assist not only the home owner but the private rented sector.

Mr. John McAllion (Dundee, East): Who wrote this?

Mr. Walter: That is a very interesting point. It was not the hon. Member for Hartlepool (Mr. Mandelson).

The Second Deputy Chairman: Order. Hon. Members should not come into the Chamber and make comments from a sedentary position.

9.30 pm

Mr. Walter: Thank you, Mr. Lord.

A further principle is responsibility. The previous Government sought to extend responsibility through opportunity and choice. In the White Paper "Our Future

[Mr. Walter]

Homes", which was published in June 1995, we said that continued growth of home ownership for those who wanted and could afford it was a central principle. Home ownership has increased over the years to 68 per cent. of households. The lower and middle-income groups have seen an extension of home ownership. People have been able to buy council houses and houses in the lower range of the market for the first time. MIRAS has been a very real benefit to them.

The Government secured a very large majority at the last election, so, to some extent, they can ignore the effects of this measure on lower-income families. However, those families will be affected most by this very mean measure. The reduction in MIRAS will have exactly the same effect on the City banker, with his £300,000 mortgage on his £500,000 house, as on the first-time buyer, with his £30,000 mortgage on his £40,000 or £50,000 house. There is no distinction: the measure will hit everybody equally. Therefore, the burden is proportionately much greater for those on lower and middle incomes. I have read the full text of the Budget, and I find it most intriguing that the measure is couched in such terms.

This is a very mean measure. It does nothing for housing, for the low-paid and for investment, and nothing for Conservative Members.

Mr. Steve Webb (Northavon): We have heard some striking contradictions in the speeches of Opposition Members on the amendment. They were exemplified by the hon. Member for Ashford (Mr. Green), who regarded the cut in mortgage interest tax relief from 15 to 10 per cent. as an assault on home ownership. He apparently had no problems with the cut from 25 to 20 per cent. or from 20 to 15 per cent. that the Conservative party implemented a few years ago. Perhaps he would like to take this opportunity to dissociate himself from the actions of the previous Government.

Mr. Green: If the hon. Gentleman had been listening when my colleagues and I made our speeches, he would know that there is a difference between cutting mortgage interest tax relief at a time of rapidly falling interest rates and cutting that relief when interest rates are rising rapidly. That makes the real difference for home owners, and that is why the measure is so damaging to home owners and to home ownership.

Mr. Webb: Judging from that response, I suspect that the hon. Gentleman would be in good company with angels and pinheads.

The Opposition are not alone in having a contradictory position on this issue. I welcome the fact that the reduction in mortgage interest tax relief removes some cash from the personal rather than the corporate sector. The Budget did not do enough on that front, so, to that extent, I welcome the measure.

The Budget is supposed to be about welfare to work, but what are the prospects for people with mortgages who want to take a low-paid job? They will find that their mortgages are higher when they are in work. When in opposition, Labour Members opposed the cut in help with mortgage interest for those on income support. If we want people to move from welfare into work, we must give them security and ensure that, if they lose their jobs, they will receive help with their mortgages. At present, as soon as someone comes off income support, even if it is only for a few weeks, his mortgage will not be paid if he loses his job. For many people, the risk is not worth while. What will be done to help those people under the Government's proposals?

The question has been asked: what would Opposition Members do? We have heard that Conservative Members would do nothing, because they would not have had a Budget. My colleagues and I, however, would have gone one step further: we would have spent part of the money saved from the cut in mortgage interest tax relief on low-income benefit, to which the hon. Member for Dudley, North (Mr. Cranston) referred. That would at least cushion the blow and help people to move from welfare into work. If the Budget is to be seen as a welfare-to-work measure, why has the issue of the low-income home buyer not been addressed?

It is clear that mortgage tax relief is on its way out, either rapidly or slowly. However, unless the position of those who are trying to move from the bottom end of the labour market is not taken into account, we shall never make progress. What will be done to remove the insecurity that is felt by many at the bottom end of the labour market? They are told now to rely on private mortgage insurance, but what private mortgage insurer has any interest in someone on a short-term contract or in a low-paid job?

Will people who are currently in receipt of welfare be in a position to take work, and what will happen when they lose it? We know, of course, that people will be forced to take work. We know that there will be compulsion for young people, for example. What will they live on? What encouragement does the Budget give them to take chances? It seems that there is a paradox in the Government's approach. They talk about welfare to work, but they provide no support for those who are willing to take the chance. That is the fatal weakness of the clause.

Dawn Primarolo: Apart from a fleeting reference to the amendment in the opening remarks of the hon. Member for Daventry (Mr. Boswell), no further remarks have been directed to it. Our discussion started with a reference to the Conservative Government's six changes to MIRAS, including the announcement of a cut in November 1993. It was introduced in 1995 when interest rates were moving up. Opposition Members never suggested when they were in government that a delayed-mechanism amendment of the sort that they are now proposing was needed.

Various Conservative Members have told us how important MIRAS is and explained that Conservative Members, when in government, never touched it except on principle. As I said in an intervention, however, the then Chancellor of the Exchequer, Norman Lamont, made it absolutely clear why he was cutting MIRAS: he explained that the cut was to raise revenue and to spread the pain.

The hon. Members for Teignbridge (Mr. Nicholls), for Westmorland and Lonsdale (Mr. Collins) and for Ashford (Mr. Green) told us how they were really the friends of the poor. The hon. Member for Teignbridge was terribly

concerned about the working poor. It is a shame that he was not so concerned during the property boom, when thousands of those people were losing their homes through repossession. It is a shame that the hon. Member for Westmorland and Lonsdale did not express his concern for social stability as people were deprived of their homes and savings.

Before the hon. Member for Ashford (Mr. Green) rises, perhaps he can explain exactly what the Conservative Government did to assist negative equity, because my recollection is that it was the building societies and not the Government who made arrangements to assist those people.

Mr. Green: Will the Financial Secretary tell the House whether she thinks that her measure in the Finance Bill will help poor home owners or make them worse off?

Dawn Primarolo: Turning to the question—*[Interruption.]* I know that some hon. Members have had a very good evening drinking and eating. I was about to deal with affordable housing and who benefits in the housing market.

I should remind hon. Members that most lenders have special schemes for first-time buyers and that interest rates are still extremely low compared to the record levels reached under the Conservative Government, when a typical mortgage of £50,000 would have cost £250 more than it does now. *[Interruption.]* I see that we are all returning from the restaurant.

Mr. Boswell: When one of my hon. Friends asked the Financial Secretary a question a moment ago, I had the impression that she was reluctant to answer it, so I put it to her again. Does she feel that home owners, particularly those in more modest circumstances, will welcome the changes in her right hon. Friend's Budget, or not?

Dawn Primarolo: I realise that it is a good sport to trade across the Dispatch Box, particularly at this time of the evening, but as the hon. Gentleman knows, what is most important for those who own their own homes is stability and security in the housing market, and a prospect that they will manage to keep their houses.

Referring specifically to—*[Interruption.]* Sir Alan, this is very difficult. The Opposition table an amendment, repeatedly complain that it is not dealt with at the Dispatch Box, and then come into the Chamber simply to cause disruption.

Mr. Green *rose—*

Dawn Primarolo: An amendment is before the Committee, to which I have to respond. I intend to respond to it, and when I have, if there is time, the hon. Gentleman can certainly intervene again.

The reduction in the rate of mortgage interest relief is an important measure to give economic stability. The point of the amendment is that it delays the implementation of that reduction—a delay that was not sought by the Conservatives when in government. The delay would not assist mortgage lenders. The very notice that we are giving them in the Budget would be denied them in terms of being able to deal with their mortgagees.

The amendment simply will not work, because there is no recognised average mortgage rate or prevailing rate, and it does not tell us who will decide what that rate should be. The amendment will cause instability rather than provide stability in the market. Opposition Members have referred continually to election manifesto promises, but the Conservative party's 1992 election manifesto promised to maintain mortgage tax relief, only for it to be cut when they came into office.

9.45 pm

The Council of Mortgage Lenders has said that the Budget package contains a prudent set of measures. The Halifax has said that it will allow the steady recovery in house prices to continue. The Budget has been welcomed by the Institute of Directors and a number of other building societies which are clear that there is need for action now in the housing market. Opposition Members have also referred repeatedly to comments made by my right hon. Friend the Prime Minister. It is necessary to apply a gentle brake to the housing market because of the increase in prices and in order to secure the stability that all house owners want. In the three months to June, prices were up 2.1 per cent. on the previous month and 6.8 per cent. on the year as a whole. That shows why it was necessary to dampen down the housing market.

Mr. Boswell: Will the hon. Lady comment on the second quarter's report of the Halifax, which said:

"there is no need for any specific Budget measures aimed at curbing an allegedly 'booming' housing market"?

Does she agree with that comment, or does she simply beg to disagree?

Dawn Primarolo: We need to ensure stability in the housing market so that those who own their houses and those who seek to own their houses are not at the mercy of the market from which they suffered under the Conservative Government. What we do not want to see is rising house prices or people trapped in negative equity and unable to provide for themselves.

The Government's proposals are sensible and modest. The amendment would not work and is not viable. It would not give stability and it would deny mortgage lenders time to plan for and adjust to the changes. The Government's proposals seek to prevent a return to the boom and bust policies of the previous Government. On that basis, I ask the Committee to reject the Opposition amendment and to support the Government's measures to provide stability and to assist home owners.

Mr. Boswell: This has been an interesting debate, and merely reinforces the official Opposition's determination to press the amendment to a vote.

I will deal first with the contributions of Labour Members, which have contained two themes. Two new Members, the hon. Members for Croydon, Central (Mr. Davies) and for Eastwood (Mr. Murphy), emphasised the importance of stability, as did the Financial Secretary—they were obviously all on message. That concept is rather like motherhood and apple pie, and one from which I cannot dissent, although three successive interest rate rises and a series of unpromised and uncovenanted tax increases on a large scale in the space of eight weeks does not seem to suggest a Government bent on stability.

[Mr. Boswell]

Labour Members also showed some MIRAS scepticism. The hon. Member for Workington (Mr. Campbell-Savours), who has been in the House a long time, said that everyone knew that Labour would breach its election pledge. He characteristically suggested that there might have been a conspiracy between Members of the two Front Benches to produce a collective guilty secret. Neither my constituents nor I saw any sign of that being offered to us during the election campaign.

The hon. Member for Dudley, North (Mr. Cranston), who outed himself as an opponent of MIRAS, said that he was not able to include this measure in his election address due to inadequate space—the only Labour election address in history that could have been a little longer so as to be a little more informative. His theme was that we all knew that MIRAS was coming to an end, and so it should. He implied that we should not take too seriously the matters of trust invoked by his leader.

The hon. Member for Northavon (Mr. Webb) made an interesting contribution. He and my hon. Friend the Member for Ashford (Mr. Green) touched on the possibility of restructuring, which was open to the Government and could be in subsequent Budgets. The Government could have introduced proposals, but merely to make a cut is a major breach of faith.

I greatly enjoyed the contributions of my hon. Friends, which contained two underlying themes. They were concerned about the home owner, and not merely about Islington man or those at the top who have cleared more than £0.5 million in a particular sort of windfall which is not being taxed under the windfall levy. According to the Financial Secretary, such windfalls will not be available to any persons bent on making money out of their houses in the future. She said that the housing market was overheating and that action had to be taken, so people will not make a profit on their houses in the future. My hon. Friends emphasised their passionate commitment to home ownership at all levels of income and for people from all walks of life.

I hope that the Government will take note of my hon. Friends' concern about the breach of trust, which goes all the way up to the Prime Minister. It is not possible to construe the words delivered by the Prime Minister to Labour's housing conference in any other way than that MIRAS was safe in his hands. Now we know better.

In the Financial Secretary's brief remarks—she read out her brief, which Ministers have done since time immemorial—she pointed to alleged deficiencies in the drafting of the amendment. As a matter of fact, we did speak to our amendment. Nevertheless, she was unable to answer the serious questions put to her. For example, my hon. Friend the Member for Ashford asked the Financial Secretary to answer a specific question: which home owners would benefit? As she did not appear to understand that perfectly simple question, I asked it again, but I am still waiting for an answer.

What has become increasingly clear during the debate, however, is the Government's approach to taxation. The theme was initiated by the Financial Secretary the other day, when she said that pensioners would welcome the Budget, and that pension funds would benefit from it. That theme was taken up today by the hon. Member for Croydon, Central (Mr. Davies), who said that the measures were for the good of home owners. This is not the first occasion on which Labour Governments have said that taxes—

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. Boswell: Briefly.

Mr. Davies: Do you agree that your comments about the Prime Minister—*[Interruption.]* I am sorry. Does the hon. Gentleman agree that his comments about the Prime Minister were out of context, and that what Tony Blair was referring to—*[Interruption.]* Does the hon. Gentleman agree that what the Prime Minister was referring to was a housing market that had been crucified by your Government—*[Interruption.]* The Prime Minister was referring to a housing market that had been crucified by the hon. Gentleman's Government, in terms of negative equity and repossessions. In the present circumstances, is it a good idea to start another cycle of boom and bust? If the hon. Gentleman were in the Government, would he encourage an over-fuelling of the housing market, which would cause a repeat of the chaos and catastrophe that were produced by the hopeless leadership of his party?

Mr. Boswell: I advise the hon. Gentleman to make his interventions shorter, and to stop digging when he is in a hole.

The law that has been made clear by Labour Members—it might be termed the Bristol, South law—is that if it is bad for you, it is really good for you. It was put very well by Shakespeare, who spoke of taking correction mildly and of kissing the rod. That could apply to taxpayers. It was put even more succinctly by the Roman historian Tacitus, who said, describing methods of classification:

"They create a wilderness and call it peace."

When the Government create a wilderness for taxpayers, they call it "really in their own best interests."

We have heard no explanation from the Financial Secretary of a specific point that I raised both on Second Reading and tonight. I asked why mortgage interest tax relief should be further reduced, given that that breached a pledge made to my constituent. I also asked the Financial Secretary for a commitment that the present Government would at least not make further reductions in MIRAS, but I heard no such commitment from her lips.

Meanwhile, Conservative Members realise that home owners will suffer under the Budget. They will be losing an average of £21 a month in higher interest rates, following three hikes of £7 a month. They will be losing £9 a month following the Chancellor's discretionary decision to withdraw a further tranche of mortgage interest relief. That means that home owners—the ordinary people—will already be losing £30 a month under the present Government. I think that, so far, they are losing about 50p a day each.

I am sorry to say that there is no sign of interest rates coming down. I remind the Committee that our amendment prescribes that the wilful increase in tax caused by the withdrawal of further mortgage interest relief should not take effect until interest rates return to the level that we bequeathed to the Labour Government.

There is no sign of interest rates coming down. There is no need for this hit on the house owner. It should not take effect at least until the Government have, in their own terms, stabilised the economy and reduced interest rates to where they were.

Our proposal is to protect home owners. That is our commitment on the Conservative Benches, and that is why we shall press this amendment to a Division with considerable relish.

Question put, That the amendment be made:—

The Committee divided: Ayes 147, Noes 381.

Division No. 57] **[9.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Beggs, Roy *(E Antrim)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(N Essex)*
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thompson, William
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Wilshire, David
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. James Cran and
Mr. Nigel Waterson.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Allan, Richard *(Sheffld Hallam)*
Allen, Graham *(Nottingham N)*
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atkins, Charlotte
Austin, John
Ballard, Mrs Jackie
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Christine
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H

Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Keetch, Paul
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Lock, David
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
Öpik, Lembit
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Matthew *(Truro)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Watts, David
Webb, Professor Steve
Welsh, Andrew
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. Robert Ainsworth and Mr. David Clelland.

Question accordingly negatived.

It being after Ten o'clock, THE CHAIRMAN *put the remaining Question required by the Order [14 July] to be put at that hour.*

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 370, Noes 141.

Division No. 58] **[10.15 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allan, Richard *(Shef'ld Hallam)*
Allen, Graham *(Nottingham N)*
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atkins, Charlotte
Austin, John
Ballard, Mrs Jackie
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Christine
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chidgey, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Ewing, Mrs Margaret
Fearn, Ronnie
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Keetch, Paul
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Lock, David
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Shef'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
Öpik, Lembit
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank

Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salmond, Alex
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Stunell, Andrew
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, Matthew *(Truro)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Watts, David
Welsh, Andrew
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. David Clelland and
Mr. Jim Dowd.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, Peter *(Hexham)*
Baldry, Tony
Beggs, Roy *(E Antrim)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(N Essex)*
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thompson, William
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Willetts, David
Wilshire, David
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. James Cran and
Mr. John Whittingdale.

Question accordingly agreed to.

Clause 15 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Mr. Robert Ainsworth.]*

Committee report progress; to sit again tomorrow.

Royal Assent

10.29 pm

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

National Health Service (Private Finance) Act 1997

Southampton International Boat Show Act 1997

Imperial College Act 1997

ESTIMATES

It being after Ten o'clock, MR. DEPUTY SPEAKER, *pursuant to Standing Order No. 55 (Questions on voting of estimates, &c.), put the Question on the total amount of outstanding estimates.*

SUPPLEMENTARY ESTIMATES 1997–98

Resolved,

That a supplementary sum, not exceeding £66,285,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges for Civil Services which will come in course of payment for the year ending on 31st March 1998, as set out in House of Commons Paper No. 65.

Ordered,

That a Bill be brought in on the foregoing resolutions: And that the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. Alistair Darling, Mr. Geoffrey Robinson, Mrs. Helen Liddell and Dawn Primarolo do prepare and bring it in.

CONSOLIDATED FUND (APPROPRIATION) BILL

Dawn Primarolo accordingly presented a Bill to apply certain sums out of the Consolidated Fund to the service of the year ending on 31st March 1998, and to appropriate the supplies granted in this Session of Parliament: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 46].

SELECT COMMITTEE ON PUBLIC ADMINISTRATION

Ordered,

That Standing Order No. 146 (Select Committee on Public Administration) be amended, in line 8, by leaving out the word 'nine' and inserting the word 'eleven'.—*[Mrs. Ann Taylor.]*

EUROPEAN LEGISLATION

Ordered,

That Mr. Norman Baker, Ms Hazel Blears, Mr. Ben Bradshaw, Mr. Russell Brown, Mr. Roger Casale, Mr. William Cash, Mrs. Margaret Ewing, Mrs. Linda Gilroy, Mr. Jimmy Hood, Ms Jennifer Jones, Mr. Jim Marshall, Mrs. Anne McGuire, Mr. Bill Rammell, Mr. Anthony Steen, Mr. Andrew Tyrie and Mr. Shaun Woodward be members of the Select Committee on European Legislation.—*[Mr. Mudie.]*

Insolvency

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

10.31 pm

Mr. Austin Mitchell (Great Grimsby): It is a pleasure to be able to discuss the subject of insolvency. The amazing lack of interest in the subject is testimony to the fact that Members of Parliament are so much better paid these days; this would not have happened if they were paid at the same levels as when I was a lad.

This is an important subject that should cause us a great deal of concern. The issue of insolvency, liquidation and bankruptcy is emotive. It is fraught with concern, anxiety and agony for those involved—it is traumatic for them—and that is exactly why the area should be well regulated by scrupulous practitioners who can be called to account and owe a duty of care to those involved. Such practitioners should work to predictable, known rules; they should work openly and be subject to appeal and control to protect the vulnerable. None of those characteristics applies to insolvency as it is presently regulated.

The practitioners work in the dark; that darkness is compounded for the victims of insolvency. There is no effective independent regulation—indeed, there is no effective regulation. There are 2,000 insolvency practitioners in this country and, for that small number, there are eight regulators, including the Department of Trade and Industry and the Society of Practitioners of Insolvency—a trade association rather than a regulator. There are far too many regulators. They overlap and trample on each other's feet; their responsibilities are not clear. It is difficult to secure effective regulation among such a plethora of regulators.

The framework of regulation consists of the Mafia regulating the Mafia: the practitioners regulate themselves in their own interests, without effective independent control. There is nothing to cause the public interest to intrude into that area.

Even the Department of Trade and Industry working party which, as my hon. Friend the Minister will no doubt remind me, is considering the issue, is the Mafia regulating the Mafia. The people who make up that working party do not include the victims of insolvency—those who have gone under, those who have suffered the consequences, or those who have been aggrieved by the insolvency process. The working party is essentially composed of the practitioners.

I hope that my hon. Friend will be aware of the blandishments of that working party and bear in mind what it is. It is the industry speaking for itself and almost certainly telling my hon. Friend that all is for the best in the best of all possible insolvency worlds; in fact, it is not. If it is to be effective, the inquiry should be independent and presided over by a High Court judge; in fact, it is chaired by a representative of the Law Society and includes representatives of all the other regulators—the trade associations. None of those who have suffered, including the employees of companies that have gone under, have been included. The working party does not hold public hearings; effectively, it operates in secrecy. It is a sham.

[Mr. Austin Mitchell]

The main legislation in the area, the Insolvency Acts of 1985 and 1986, was meant to provide ways of rescuing companies. It was meant to protect the investor, the shareholder and the creditor. In fact, it has become a series of Acts for the protection of the accountants because it gives them, as corporate undertakers, a licence effectively to print money in the fees they levy for insolvency work—work in which the banks call the shots and the accountants enrich themselves.

By serving the dominant interest of the banks, the accountants have obtained the statutory monopoly of audit. When something goes wrong with the audit, they also operate an effective monopoly of the insolvency work that results from bad audits and bad ways of running companies. They get the fees for creating the mess and the fees for clearing it up. One cannot think of a better monopoly for self-enrichment.

The fees are huge. Much of the work is done by unqualified staff, but the fees charged are £100 per hour for some grades and £300 to £500 per hour for partners. When the Social Security Committee studied the Maxwell liquidation, in 1993, when the bill for that liquidation was only £50 million—it has increased since—it found that Robson Rhodes was charging between £111 and £174 per hour, Arthur Andersen was charging between £90 and £153 per hour, and Price Waterhouse was charging between £120 and £190 per hour. That is how some of those astronomical fees are calculated.

The fees so far in the Bank of Credit and Commerce International insolvency amount to $281 million for Deloitte and Touche. It is wonderful work if you can get it—far more profitable than designing Eurofighters, building cars or producing other things of value to the consumer. The insolvency income of the major accountancy firms, which employ 40 per cent. of the insolvency practitioners, is huge. Even two years ago, Coopers and Lybrand earned £53 million a year, KPMG earned £43 million a year and Ernst and Young earned £44 million a year—and those are data that those firms provided to the accountancy press.

Whoever loses in an insolvency, the practitioners win—that is the name of the game. I cite some instances from my experience. A Mrs. Askew, who had the lease of two pubs in Lincoln—a fairly wealthy lady, who was ill and, I believe, was inattentive to the financial side of the business—was sued by a wine merchant for £4,400 in unpaid bills. The liquidator was put in. The costs and fees of that liquidation, for a bill of £4,400, came to £120,000. When I asked the Institute of Chartered Accountants why the figure was so huge, I was told that Mrs. Askew was to blame because she did not co-operate with the trustee. That is a huge bill, given that she was in hospital for much of the time she was accused of non-co-operation. It is a ludicrous charge.

Practitioners are in a wonderful position and the big accountancy houses win both ways. The banks, which are notorious for thrusting umbrellas upon us when the weather is dry and snatching them back as soon as it rains, have most of us in a tight grip—I will make it no more vivid than that. If a firm of accountants put in by a bank to report on a business recommends liquidation, the same firm's insolvency arm gets the liquidation work. That is a monstrous vested interest and places constant pressure to recommend liquidation.

The classic instance—about which I have had a long correspondence with the DTI and the regulators—is the case of J. S. Bass in Manchester in 1988. Barclays bank put in Ernst and Young to report on the business. It did a survey which took all of 48 hours—it is called a quick and dirty survey in the trade. It looked at the accounts, which effectively can be made to say anything. It did not look at the order book or the assets—this was an asset-rich company—and overestimated the losses of the company by a factor of five. It recommended that the firm be put into receivership.

The firm was put into receivership by the insolvency arm of Ernst and Young, which then sold the factory and the property at less than agreed prices—some of it, apparently, to clients of the bank—and found a surplus at the end of £1.2 million. But that had all gone in fees by then, so, effectively, there was no surplus. The insolvency practitioner is guaranteed his share of the operation.

What is more, the bank tried to take out a bankruptcy order on the managing director, Barry Chapman, to shut him up because of his objections to the operation. Professor Tony Christie of Salford university complained about the behaviour of Ernst and Young in a letter to his Member of Parliament, Sir Fergus Montgomery. Sir Fergus passed it on to Ernst and Young, which then took out a writ against Christie to shut him up and to stop his accusations against Ernst and Young. Here is an academic facing the might of one of the big six. It is easy to imagine how the balance of power will go. None of this had any effect on the inquiry by the DTI or the regulators. There was no satisfaction, and the business smells curiously.

These are murky waters. Here is a vested interest recommending liquidation to the bank and then getting the insolvency business. The banks should not do this. If they try to do it, the Government should prohibit it. The Royal Bank of Scotland, I am pleased to say, has announced that it will not appoint the same firm to do the financial inquiry and the insolvency work. It has found that it has been able to reduce the fees for insolvency work by 40 per cent. because it now has competitive bids from practitioners. It has reduced by 60 per cent. the number of receiverships it deals with, by the simple expedient of refusing to use the same firm.

The practitioners owe a duty of care only to the interests which put them in—usually the bank. They have no responsibility to other creditors, whose interests can be ignored because the practitioners and the interests which put them in effectively control the flow of information to other creditors and to the courts. The whole business is secretive and goes on behind closed doors. There is no requirement to publish the bids that the receiver is soliciting for assets or to ensure that the process is carried out fairly. The process should be open to ensure that it is above board. It pays receivers not to rescue a company, but to keep the procedure going for ever—because there are fees whatever happens.

It would be much easier if the auditor's papers were required to be available to the insolvency practitioner,

because the auditor has done the work and presumably knows where the assets are, where the problems are and where the creditors are. All that work must be done again for large fees by the insolvency practitioner.

The fact that that is done behind closed doors leads to doubtful, murky deals. Euroscan is a Nottingham-based printing company. An offer was made to buy the firm from the receiver for £320,000. The receiver eventually sold it for half that sum to a company formed by the receiver in which he was a major shareholder. That practice is not just curious; it is wrong.

In another notorious insolvency case a few years back, Corporate Communications was put into receivership. The receivership was operated by a firm that had acted as consultant to Corporate Communications. The receiver sold it back to the directors at half the valuation and got the fees for the operation. The creditors were left to whistle.

The list goes on. No wonder there are 500 to 600 complaints every year about insolvencies. Satisfaction of those complaints is rare indeed, because there is no way of securing satisfaction or of disciplining or controlling the practitioners. The heftiest disciplinary measure that I have heard of is the penalty imposed by the institute on Jordan and Stone in the Polly Peck liquidation. Against the guidelines, Coopers and Lybrand took on the insolvency work, even though it was working for Polly Peck in the Channel islands. When that was discovered, the firm claimed that its organisational records were not adequate for it to tell that it was working for Polly Peck. Coopers and Lybrand sells computer systems to other businesses, yet it did not know that. The machinery trundled into gear and a massive fine of £1,000 was imposed on each firm. The fees on that insolvency were between £15 million and £20 million. The fine for infringing the guidelines must have terrified the firms.

Everything is decided by private law, by discussion with the firms in which the shareholders play little part. They can complain, but they have no right of appeal. There is an ombudsman, but he is an industry figure paid by the professional body. I am sure that matters will improve under my hon. Friend the Minister for Competition and Consumer Affairs, but until now it has been no use protesting to the Department of Trade and Industry, because the Department has simply relayed the complaints back to the professional bodies.

The fees charade goes on. I can cite examples from the Bankruptcy Association. A plumber was bankrupted for non-payment of VAT. The bill was £2,100; the liquidation fees were £15,000. In another case, the accountants admitted doing six hours' work and charged £2,500 for it. In a further case, assets of £2.1 million were realised and the fees for realising that sum were £850,000.

I hope that my hon. Friend will take a cold, hard look at the area. I know that there will be fewer bankruptcies under Labour, because a Labour Government will run the economy for growth and expansion and improve the business climate.

I am not quite so sure about Eddie George as Governor of the Bank of England. His role in the matter worries me a little. He seems to be a master of creating the conditions for more bankruptcies by squeezing deflation, which he calls stability. I am sure that there will be economic problems, but I hope that they will not be as severe as under the previous Government.

Mr. John Burnett (Torridge and West Devon): There was an Adjournment debate on an analogous matter last Thursday, when the right hon. Member for Maidstone and The Weald (Miss Widdecombe) raised similar points. I suggested then that there should be a system analogous to that available to the public against lawyers for taxation of insolvency practitioners' bills and fees. The Financial Secretary said that she would look into that. Perhaps the hon. Member for Great Grimsby (Mr. Mitchell) will bear that in mind, and perhaps the Minister would consider a system whereby the taxation of the fees of insolvency practitioners would be available to the public, particularly creditors.

Mr. Mitchell: There should be some system of appeal so that people can contest the fees.

I hope that the Labour Government will look afresh at this matter. We are committed by our manifesto to encouraging a culture of rescue so that firms may keep operating rather than being looted and pillaged by insolvency practitioners. Why can we not have in this country something like chapter 11 in the United States, whereby a firm has 90 days in which to reorganise? Why can we not introduce a requirement that no creditor shall appoint any receiver immediately, and that companies shall have 28 days in which to secure additional resources?

Why can we not ban the accountancy firms that compile reports on companies from also taking on the insolvency work? Why cannot all plc receivers be forced to publish meaningful information about their affairs, such as the number of cases they have handled, and their fees? Why can we not require banks to publish the number of companies that they have placed in receivership? That might act as a deterrent and ensure that they think about those issues.

The Government are committed to many of those changes and to a more sympathetic approach. I hope that they will look at the real solution to the problem of insolvency: an effective independent regulator to represent the public interest. We are providing independent regulation in the financial sector, but that will be ineffective unless regulation is extended to accountancy, audit and insolvency where the need is greater. Only a regulator such as the Securities and Exchange Commission in the United States can call people to account, establish an appeals process and ensure that the operation is run in the interests not of the insolvency industry and its practitioners but of the public and the wider community.

10.51 pm

Mr. Keith Vaz (Leicester, East): I warmly congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on securing the debate and on raising this important issue. I re-emphasise the points that he made about the liquidation of BCCI. BCCI closed six years ago on 5 July, and my hon. Friend mentioned the huge fees that the liquidators, Deloitte and Touche, accumulated. I am certain that that liquidation merits a full investigation by the Department of Trade and Industry—

[Mr. Keith Vaz]

even the charming Mr. Desmond Flynn cannot equal the massed ranks of a firm such as Deloitte and Touche. I hope that something can be done.

We recently met the Minister to discuss the issue, and he was very sympathetic to our cause. He is one of the most dynamic and effective Ministers in the new Government. If anyone can do something about the actions of Deloitte and Touche in the liquidation of BCCI, he can. I urge the Minister to hold an inquiry, and I shall write to the Chairman of the Trade and Industry Select Committee asking him to do the same. I hope that the Minister will have some positive news tonight about that matter.

10.53 pm

The Minister for Competition and Consumer Affairs (Mr. Nigel Griffiths): I congratulate my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on securing this debate on a matter that is of great interest to many within and outside the House. My hon. Friend is well known for his commitment to effective regulation in the accountancy and insolvency professions. Therefore, I listened to his speech very carefully

Insolvency is, by its nature, a situation in which there are many losers. Thankfully, relatively few individuals and companies will experience it. In 1995–96, 18,000 companies went into some form of insolvency procedure compared with a total of more than 1 million live companies. It is recognised that most failure is honest: people have tried their best, but the business has not worked for any number of reasons, such as changes in the market or in economic circumstances and other misfortunes that befall entrepreneurs across the spectrum. So the losers deserve, and have, our sympathy. They are the suppliers and other creditors—and the employees, many of whom have given years of loyal service. We must not forget the entrepreneurs and their families.

Joseph Chamberlain said in 1883 that the job of insolvency procedures is to

"protect the salvage and diminish the risk of wreck."

Those words are as true today as they were when first said. The job of official receivers and of insolvency practitioners is to do just that, often in the most complex of circumstances such as the liquidation of BCCI. Insolvency is an area in which the highest standards of competence must be married to the highest levels of probity.

In the 1980s, before the Insolvency Act 1986, insolvency was an unregulated profession. Anybody could become a trustee or liquidator. There were abuses by a minority, often people with no qualifications. In the 1990s, the situation has changed. We have an Act that means that practitioners may be authorised by recognised professional bodies. Those bodies are recognised by the Secretary of State, and they include the principal accountancy bodies such as the Insolvency Practitioners Association and the Law Societies of England, of Wales and of Scotland.

Recognition is on the basis that those bodies have rules to ensure that practitioners have appropriate educational qualifications and experience, and also that they remain fit and proper. The bodies are responsible for the regulation of the practitioners they authorise. The Secretary of State has a residual licensing function, and about 1,830 practitioners are currently authorised.

The regulatory process has developed considerably since its introduction 10 years ago—the Bass case resulted in tangible improvements—but there is no room for complacency. The professional bodies are well aware that the insolvency profession is the subject of continued scrutiny, and my Department will maintain the pressure for the highest standards both within the professional bodies and among the practitioners they regulate.

It is my view that, if self-regulation works, can be seen to work and works in the public interest, it is fine. Clearly, there are other ways of doing things. In the United States of America and in Canada, for example, the Government play a more direct and greater role in the regulation of insolvency practice, but such systems have their flaws. At the same time, self-regulation is a privilege, and if it is to continue it must be earned.

Recent headlines about the Maxwell case have caused widespread concern,—a concern that I share. I was pleased that the president of the SPI welcomed Mr. Justice Ferris's view that the remuneration of insolvency practitioners should

"reward value and not indemnify cost".

I hope that all practitioners will heed the judge's words and their president's endorsement of them.

The charging of fees that are out of proportion to the sums recovered is something that we are watching with considerable care. The taxation of fees on insolvency practitioners, which the hon. Member for Torridge and West Devon (Mr. Burnett) kindly reminded the House was the subject of an Adjournment debate last week, has been subject to critical comment by Mr. Justice Ferris. Fees should never be a licence to print money. A liquidation committee has the job of approving the liquidator's fees and expenses. I had the pleasure of meeting Mr. Tony Scott and my hon. Friend the Member for Leicester, East (Mr. Vaz), and I am grateful for the work that was done in ensuring that I was properly briefed.

As my hon. Friend the Member for Great Grimsby made the House aware, a working party has been established to review the experience of 10 years of regulation of the insolvency profession. The working party comprises representatives of the seven RPBs and the insolvency service, and has terms of reference that clearly place consideration of the public interest at the centre of any proposals for the future. That must be right. I took a very early opportunity to meet the working party and to make clear my interest in its work. To call its work a sham is unfair, unworthy and untrue.

The working party's draft report will be available for public consultation. I urge hon. Members to make their views clear once they have studied it. I have requested a formal presentation by the working party of its finding when it produces the report.

I am aware that the working party is giving the matters that have been raised by hon. Members full and careful consideration. I shall give careful consideration to any

recommendations that the working party may make. Clearly, I have no wish to prejudge the outcome. However, I shall want the report to address the concerns that have been expressed in the House tonight. I undertake to ensure that my personal consideration of the working party's findings is given. I shall alert my hon. Friends to that.

We have in Britain one of the best ways of regulating the insolvency profession, but there are grounds for improvement. I have listened with care to what hon. Members have said. We shall, of course, continue to give those matters consideration.

Question put and agreed to.

Adjourned accordingly at one minute past Eleven o'clock.

House of Commons

Wednesday 16 July 1997

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Rural Policies

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Betts.*]

9.34 am

Mr. Richard Spring (West Suffolk): I am most grateful to you, Madam Speaker, for giving me the opportunity to introduce the debate. I am grateful also to the Under–Secretary of State for the Environment, Transport and the Regions, the hon. Member for Wallasey (Angela Eagle), for being in her place to reply on behalf of the Government. It shows the real concern that so many hon. Members have for the future of rural areas that so many are in the Chamber this morning.

On 9 February 1996, in a joint letter to *The Times*, the then Prime Minister, the Leader of the Opposition and the leader of the Liberal Democrats wrote as follows:

"On one subject we speak with a united voice—namely in advocating the protection of our countryside in its rich personality and character."

Regrettably, less than 18 months after that optimistic letter was written, that consensus is falling apart.

Only last week, more than 100,000 people came to Hyde park because they believe that the rural way of life is now at risk. They did not attack policemen, they did not burn cars and they did not shout abuse; they were restrained and good humoured. Nevertheless, their anxieties were genuine and heartfelt.

The chief executive of the British Field Sports Society explained:

"the countryside is waking up to the fact that this Government has an urban majority that doesn't understand or, indeed, represent rural interests. Countrymen can no longer afford to be complacent; they need to put their heads above the parapet and be counted. The urban majority must listen to the voice of the countryside before it is too late."

Over a period, some of those who sought a rural way of life have felt to some extent marginalised. The issue has now come forcefully to a head, however, with a new Government who are clearly bent on institutionalising urban-based political correctness. We have a Government who are dedicated to destroying country sports, which are an integral element of country life from both social and economic points of view.

The United Kingdom is one of the most urbanised countries in Europe, and that is especially true of England. There is hardly a place in this country that would not fall within city limits if it were in the United States. Hardly a farm is more than 30 miles from a major town or city. For many, commuting has become a way of life. Increasing accessibility has fundamentally changed the relationship between town and country.

It is forecast that the number of households in England and Wales will increase by 4.4 million by the year 2010, and many of those people will wish to settle in the countryside. Pressures on space and services are causing considerable alarm among those already living in the countryside.

There is, however, considerable potential for redeveloping existing urban areas. It is up to the new Government to decide how to implement the Environment Act 1995 in relation to the so-called brown-field sites. I hope that the Minister will give some clear signs this morning, because many in the rural areas believe that there is unacceptable pressure for new developments on green-field sites.

In 1995, my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), when Secretary of State for the Environment, published a comprehensive White Paper entitled, "Rural England—A Nation committed to a Living Countryside". I applaud him again for that initiative. The White Paper began by declaring the countryside to be a national asset. It went on to outline the ingredients for sustainable development, such as meeting the economic and social needs of people who live and work in rural areas, conserving the character of the countryside while accommodating necessary change, and improving the viability of existing villages and market towns.

Yet something has clearly gone wrong. Many rural dwellers have already lost confidence in the new Government's desire and ability to protect their interests. Sadly, I believe that their fears are justified. We know that 13 million people live in the countryside or in small towns. These 13 million share exactly the same hopes, aspirations and concerns as everyone else about housing, transport, law and order, jobs, schools, health and recreational activity. But there are essential differences, because of remoteness and small scale, planning and transport differences, and the desire of many to enjoy fully the recreational opportunities of country living.

Even in rural counties such as Suffolk, the bias in service provision is manifestly towards the urban parts of the county. My right hon. and hon. Friends will confirm exactly the same situation in Labour-controlled local government throughout the country.

The Government's precise view of the future of local government is unclear. May I directly tell the Minister that the prospect of yet another tier of administration in rural areas is deeply unwelcome? The mentality of urbanisation that exists in the Labour party threatens the proper administration of our country way of life.

Regional assemblies are bound to be based in towns and cities and take powers away from parish and local councils in rural areas. The previous Government sought to enhance the powers of parish councils. Now, my constituents are in a state of limbo about the Government's plans for the administration of country areas. They are fully entitled to some clarity.

Suffolk county council, for example, while for ever reciting the "lack of resources" mantra, has given, effectively, an open cheque book commitment to an expensive park and drive scheme in the city of Ipswich. Yet, disgracefully, I cannot even get a much-needed

[Mr. Richard Spring]

footpath built in a rural village in my constituency, allegedly because there is no money. Similarly, lorries shatter the peace of rural villages because local authorities will not give urgent and sufficient priority to properly co-ordinated lorry management schemes, which are very much required.

Let us look at employment, which, as in the rest of the country, has been a considerable success story. One of the most disappointing features of the new Government is the way in which they are fundamentally failing to understand the increasingly fragmented nature of our economy. Apart from the agricultural sector, throughout the country there are thousands of people with offices in their homes, in rural cottages or converted barns, linked to their main offices or customers via the telephone, fax, Internet and e-mail. They may go to an office in a city only once or twice a week. Much of that activity is highly creative. It suits modern life styles. It is flexible. Some people may wish to work only part time.

We saw in the 1980s the massive job downsizing in large companies. Workplace fragmentation and the growth of outsourcing have flowered in this country. Now, bluntly, that is at risk. Having given away our employment rights when we signed up to the social chapter, we shall inevitably be at the receiving end of employment directives that will kill off this highly successful evolving process.

The European social and economic model is an employment disaster. The huge rural depopulation of France illustrates that clearly. The imposition of a minimum wage coupled with job-destroying directives will play havoc with the rural economy.

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): Will the hon. Gentleman admit that the only places in Britain where there is a minimum wage are rural areas, because the Conservative Government failed to abolish the agricultural wages councils?

Mr. Spring: I am afraid that the hon. Lady entirely misses the point. There has been a diversity of economic activity and job creation away from the agriculture sector in rural areas precisely because there is not the sort of regulation that has destroyed employment in rural areas in countries such as France. I am astonished that she fails to understand that.

Mr. Ian Bruce (South Dorset): It is always interesting when Ministers come to the Dispatch Box so badly briefed about the minimum wage. The agriculture wages council—

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): It is a board.

Mr. Bruce: The agriculture wages board, which is an exact model of what the Government want to bring in, has a minimum wage of £2.95. It would be nice to know from the Minister whether £2.95 will be the national minimum wage.

Mr. Spring: My hon. Friend is quite right. Perhaps the hon. Lady is not aware that there are many jobs other than farming that sustain the rural economy. Clearly, she is utterly ignorant of that fact.

Most businesses in rural areas employ fewer than 20 people. The most helpful thing that the Government could do to enable them to compete is to cut business rates, as we promised in our manifesto. Already, rate reliefs are available for village shops and post offices. They do not want to see a return to the local control of business rates by local authorities, some of which are instinctively anti-business. They do not want to be beholden to local authority officials whose ability to gold plate European health and safety legislation is legendary. Regrettably, the only policy that the Government have so far announced is the statutory right to interest, which was opposed by the overwhelming majority of small business organisations.

Rural areas need a balanced transport system. The imposition of new so-called green taxes in the latest Budget has had a particularly damaging effect on rural car users. It is to be hoped that the privatisation of our rail services will mean a more effective and balanced challenge to road hauliers. However, any sense of urgency so far is lamentably lacking. In my constituency, the A11 is a death trap and the Elveden crossroads truly life-threatening.

Valiant efforts have been made by interested parties, with considerable success, to resolve these problems co-operatively. I sought the help of the new Minister for Roads simply to bring this all together, only to be told that the whole roads programme was indefinitely under review. There appears to be nothing that is not under review. It is ludicrous that, after Labour waiting 18 years to get back into government, crucial decisions affecting our lives remain in suspended animation. People in rural areas have a right to know what transportation policies will be pursued.

On the subject of reviews, may I also tell the hon. Lady of the very real anxiety of many of my constituents following the announcement of the Secretary of State for Health that hospitals would close? In rural areas, there has been a dramatic improvement in the provision of primary health care through GP fundholding. Now we are, apparently, to have a fresh upheaval in the NHS with the creation of a new bureaucracy called locality commissioning groups.

I very much regret the closure of many smaller acute care hospitals over the years. Because we do not know what is happening, and there is a review, there is fear among GPs, nurses, doctors and patients that medium-sized acute care hospitals will close, too. In rural areas, that would be a catastrophe. Patients would have to travel miles to hospital or to receive visits from family and friends. It removes the essential linkage between local communities and their hospitals.

There is genuine concern that the West Suffolk hospital, in Bury St. Edmunds, which serves most of my constituents, will be closed, so let me spell it out clearly. If the Government decide that, to save money and further appease their urban supporters, they will concentrate acute care facilities in a very limited number of giant hospitals—if acute care health services are remorselessly centralised—there will be far more than 100,000 people protesting in the rural areas about the future of their health services.

Our farms are not theme parks to be trampled over at will by outsiders. There is a balance to be achieved. All hon. Members will applaud the efforts made by the

Country Landowners Association in its Access 2000 statement issued last May. Much voluntary progress has been made. I very much hope that the Government will work constructively with local authorities, landowners and countryside users for sustainable access. We must not create some statutory right to roam, and never again should we witness the horrific activities of so-called new age travellers, who had nil respect for the countryside, its inhabitants or its wildlife.

There are many other areas of rural life that I should like to touch on. I am sure that my hon. Friends will do so if they are fortunate enough to catch your eye, Madam Speaker. The 1995 White Paper brought together the rural aspects of all Government policies for the first time. May I therefore ask the Government to commit themselves to a similar integrated approach to rural policy so that the uncertainties that I have spelt out can be dealt with?

Last week, in Hyde park, we witnessed a defining moment. The catalyst was the private Member's Bill that seeks to ban country sports, particularly fox hunting. Marchers came to Hyde park from Scotland, Wales and Cornwall. The Bill makes a clear distinction, albeit a spurious one, between fishing and field sports. Somehow, it is entirely legitimate and not cruel to stick a barbed hook in a fish's mouth, play with it in the water, land it and watch it suffocate. At least, that is how some might interpret the situation.

No one disputes the fact that foxes are predators whose numbers must be controlled, but, under that private Member's Bill, it would be acceptable for vixens and their cubs to be gassed in their lairs, and for foxes to be snared only to die slowly and painfully and to be shot at with the risk of injury. All those practices may well happen, but allowing a fox to be killed instantly in the jaws of a foxhound would not be acceptable.

Mr. Morley: For the record, let me point out that gassing foxes is illegal in this country.

Mr. Spring: I appreciate that, but, although it is illegal, it is—regrettably—known to happen. The culling of foxes is a particular problem for farmers. If fox hunting were banned, we might just see an upsurge in such activity, which would be thoroughly undesirable.

The former executive director of the League Against Cruel Sports, Richard Course, observed:

"When I became fully and objectively appraised of all facts, and conversant with all related arguments, it was impossible to avoid the conclusion that the prosecution of the anti-hunt case would not advance 'fox welfare' and consequently could not be justified."

I dwell on the subject because the importance of fox hunting is essentially twofold. As the *New Scientist* put it on 19 April 1997,

"Foxhunting has helped shape the British landscape. Areas where it is common often have more hedgerow and thicket which benefit other wildlife besides the fox. These would disappear if hunting were banned."

Fourteen thousand acres of woodland are owned or managed by hunts, and 95 per cent. of hunts undertake conservation work—the maintenance of bridleways, gates and so forth—while 1.4 million carcases are disposed of each year, either free of charge or at minimum cost. Hunting is an essential part of the traditional life of the countryside and has considerable economic significance.

There are 385 registered packs of hounds and 228,000 participants in registered packs and clubs. The 1997 update of the Cobham report estimated direct employment at 15,300 and direct expenditure at £176 million, with a turnover of £122 million involving 9,700 separate businesses. Five thousand pubs are patronised for hunt meets and other fixtures. The hunt is a broadly based social activity, often taking place in remote country areas: it is a way of bringing people together. Seventy per cent. of all woodland planting on English and Welsh farms is for sporting purposes.

Earlier, I tried to express the concern of rural dwellers about such matters as the rural economy, transport, health services, access and so-called green taxes. That concern, however, is merely a backdrop to the exploding sense of alienation from the urban-based, politically correct values that are clearly hallmarks of the present Government.

This is a matter of fundamental principle. No one can deny the right of anyone in our democracy to dislike fox hunting, to argue against it, to ignore it or even to find it repulsive. It is wholly different, however, when that right is translated into the punishment of those with whom such people disagree—their punishment as criminals.

How would the law be enforced when a farmer sought to cull foxes, and tried to flush them out with his dogs? Would that be a criminal activity? Where is the line to be drawn? Foxes are predators: they kill for the sheer pleasure of it. Savagely tearing the limbs off lambs and decapitating chickens, ornamental ducks or even swans has nothing to do with the need to eat. Yet we return to the same principle: should the state have the right to punish someone for his activities simply because the majority find them distasteful, and, in so doing, to have a severe impact on the economy of rural areas?

Last year, 3.3 million people went fishing and more than 700,000 shot game and wild fowl. Annual direct expenditure on country sports runs at £3.8 billion and has provided more than 60,000 full-time jobs. Indirect expenditure totals £2.4 billion and has provided 31,000 jobs. Government income runs at more than £600 million.

In our urbanised society, nature has become entirely removed from what we eat. It is a kind of carnal disembodiment. Butter and milk bear no relation to cows; eggs bear no relation to chickens; and chickens bear no relation to feathers. What is really repulsive is the way in which our new politically correct elite decides, in an inconsistent, illiberal and intolerant way, what is good for us all. Rural Britain is patronisingly viewed as some kind of Disney theme park.

When the sensitive luminaries of Islington, Hampstead and Highgate sit down to eat, the only thing that is wild about the poached salmon is the price. For them, a visit to the countryside all too often means a visit to a luxury health hydro, where they can "de-stress" after all the exhausting intellectual gymnastics of what they have decided is and is not currently politically correct.

Dr. Julian Lewis (New Forest, East): My hon. Friend has set out a great many facts and figures for the record, and for the edification of Labour Members. Should we not also record the fact that fewer than half a dozen Labour Back Benchers have bothered to attend the debate?

Mr. Spring: I thank my hon. Friend for making that point, which is at the heart of the debate. Rural issues cannot be distinguished from the mainstream of British life; they are part of the nation. The contempt with which the Government are treating rural areas is, however, manifest in the number of Conservative Members who are present.

There is a serious point to be made, to which my hon. Friend has alluded. A substantial part of our population should be allowed to continue a way of life that is currently under threat. This is not only about hunting, but about all the activities that are linked with it: gymkhanas, horse trials and point-to-points. Those who despise the rural life will inevitably go after shooting as well. Not only would the whole rhythm of country life be affected by such moves, but trees, fences and hedgerows would soon be at risk.

Before the general election campaign, the Prime Minister declared his desire to lead one nation. He talked of the community and of social cohesion, and the electorate responded. Only weeks after the election, however, the uncertainties that had already stirred in rural Britain have been translated into real fear and anxiety. The Government's policies so far appear to be at worst hostile, and at best irrelevant, to the needs of rural Britain. I hope that the Prime Minister will not go down in history as the first Prime Minister to cause an irrevocable and damaging split between the rural and urban parts of our nation.

We have had a rocky start from this Government. I urge the Under–Secretary of State for the Environment, Transport and the Regions to listen carefully to the concerns of people living in the countryside in the years ahead. They are entitled to the same consideration as everyone else. They are entitled to a policy framework and services adjusted to their needs, and should not to be treated as second-class citizens.

9.59 am

Mr. David Hanson (Delyn): I appreciate the opportunity to contribute to the debate. I congratulate the hon. Member for West Suffolk (Mr. Spring) on securing the debate, although I disagree with almost everything that he said. I represent a rural constituency and I won that seat from the Conservatives in 1992. My hon. Friends the Members for Forest of Dean (Mrs. Organ) and for Stroud (Mr. Drew) are present. They won seats from the Conservatives in the recent general election. Many Labour Members speak for rural areas. Conservative Members do not represent as much as a single tree or field in Scotland and Wales.

The Conservative party is not the only party which speaks for rural Britain. The Labour party achieved its highest-ever vote in rural areas on 1 May. We wiped out the Conservatives in rural Scotland and rural Wales. Many of my hon. Friends speak in the Chamber and run the country on behalf of rural Britain as a whole.

I hope that the debate will focus on positive points. In the spirit of cross-party co-operation, I say immediately that I welcomed much of what the previous Government did to recognise the needs of rural areas. I welcomed the proposals in the White Papers for rural Scotland, Wales and England. I welcomed the fact that "Rural England" was produced by the previous Government, and I recognise that the document "Working Countryside for Wales" was important. However, the debate should be put in the context of the Conservative Government's performance on rural issues.

I should like to draw Conservative Members' attention to the Environment Select Committee's report on rural England, which highlighted problems that the Conservative Government had caused and which they had to face in the previous Parliament. Their documents proposed a certain strategy, but the Environment Select Committee's report highlighted rural poverty, the need to sustain market towns, the removal of large tracks of woodland and the need to develop key targets to achieve improvements in rural areas, which the previous Government failed to do.

Mr. Nicholas Soames (Mid–Sussex): We all share the aim of removing rural poverty, as the hon. Gentleman calls it. Does he truly think that the introduction of a minimum wage will contribute to removing rural poverty? In an interview during the general election campaign with the distinguished journalist from *The Sunday Times*, A. A. Gill, the present Deputy Prime Minister, with welcome candour, said that the introduction of a minimum wage was likely to increase unemployment.

Mr. Hanson: I strongly support a minimum wage. During the general election campaign, many of the people who work in the rural parts of my constituency supported a minimum wage. Many of the farmers in my constituency, who are legion, lobbied me strongly when the Conservative Government tried to abolish the agricultural wages boards. Farmers and people in rural areas in my constituency recognise the need for an inclusive society in which everyone has a stake and in which people are part of the businesses in which they work.

One of the things I am most looking forward to in this Parliament is the establishment of a low pay commission, so that people in rural and urban areas can contribute to the decision on a reasonable level for the minimum wage. That will ensure an end to some elements of rural poverty in our communities.

We have had 18 years of Conservative government and 18 years of their stewardship of rural areas. The hon. Member for West Suffolk knows my constituency well and is a frequent visitor. He is aware that many rural areas have suffered dramatically under Conservative rule. Rural crime has risen. I could show the hon. Gentleman the former police stations in the rural areas of my constituency that were closed by the Conservatives. I could take him to see many of farmers and rural constituents who have suffered dramatically from rural crime. Dyfed Powys police have organised a conference next week at the Royal Welsh show to highlight the issue of rural crime. It is an important matter, and the Conservative party failed to deal with it during their stewardship of the rural community.

Mr. Keith Simpson (Mid-Norfolk): Do the Government intend to reopen those police stations in the hon. Gentleman's constituency?

Mr. Hanson: The Labour Government will put resources into policing to ensure that we reduce crime. There is a difference between removing police stations

and reducing rural crime cover, and examining that issue in the light of the damage done by the previous Government. We will put resources into policing to ensure that rural as well as urban areas are covered.

Mr. James Paice (South–East Cambridgeshire): Will the hon. Gentleman give way?

Mr. Hanson: In a moment. There is a limited amount of time, and many hon. Members want to speak.

With regard to transport, 33 million bus journeys per year were lost in Wales thanks to rural bus deregulation. On housing, we have had inappropriate planning policies, many planning appeals have been allowed and council house building has been prevented, thus reducing the number of affordable homes in rural areas. Great damage has been done on a range of issues as a direct result of the Conservative Government's policies.

Mr. Paice: Bearing in mind the fact that the Chancellor of the Exchequer has already confirmed expenditure policies for the current and the next financial year, will the hon. Gentleman tell us how much extra money will be spent on rural policing over and above that which the previous Government announced?

Mr. Hanson: The Chancellor has said that the target limits for the next two years are the same, but the priorities within them will be reviewed. A fundamental and comprehensive spending review is being undertaken, which will examine levels of spending and what has been done. We should also consider the key issue of crime prevention in rural areas to ensure that we reduce crime. The Government will improve on the previous Government's performance in many aspects of policy.

The hon. Member for Mid–Sussex (Mr. Soames), who has now left the Chamber, referred to wage levels. The Conservative Government launched an assault on the agricultural wages boards and tolerated rural low pay and rural poverty. I look forward to the establishment by the new Labour Government of a minimum wage and positive policies to tackle those issues.

The previous Government's record on education was appalling. The main concerns in my constituency during the previous Parliament were nursery vouchers and the potential for selection in schools, both of which had a dramatic effect on rural areas. If there is selection and if there is only one major school in a nearby town, many rural people will require additional transport to get their children to school. The rejection of the nursery voucher scheme in Wales was overwhelming in rural areas. The vast majority of petitions that I received from rural areas during the previous Parliament were about nursery voucher provision. The Conservative Government's education policies did great damage to my rural constituents.

People in rural areas are concerned about the removal of shops and pubs. The possible privatisation of the Post Office caused great fear in rural communities. The sell-off of woodlands and the destruction of hedgerows were part of a range of policies that the previous Government followed, and I hope that the Under–Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Wallasey (Angela Eagle), will address those problems.

There is also the farm crisis fiasco of BSE, which has cost billions of pounds of taxpayers' money and has destroyed many rural incomes and rural communities. It has put great pressure on the people whom some Conservative Members purport to represent.

One reason why there are 164 Conservative Members and 418 Labour Members is the previous Government's failure—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. There is much shouting in the Chamber. Hon. Members should not try to shout down the hon. Gentleman because he expresses an opinion with which they do not agree.

Mr. Hanson: Many of my hon. Friends are out running the country, which is why they are not here at the moment.

The BSE crisis had a tremendous impact in rural areas. I should like to see some key policies put into practice in the countryside. We must look at economic prosperity to see how the Government can encourage small and medium-sized businesses to develop.

Mr. John Bercow (Buckingham): Will the hon. Gentleman give way?

Mr. Hanson: Time is pressing. I have given way a number of times and I must make progress so that other hon. Members may have an opportunity to speak.

I want economic renewal in rural areas. The hon. Member for West Suffolk spoke about information technology. I hope that the Government will extend information technology services and encourage them in many parts of rural Wales, especially in my area. The hon. Gentleman spoke about the important issue of developing rural communities and businesses. The Government should support a modern reappraisal of IT and put some effort and resources into it.

The Government should encourage environmentally sustainable businesses, help farmers to diversify, and encourage and develop tourism. They should use the proceeds of the windfall tax, which will shortly be on stream, to help young people in rural areas where there is high and persistent unemployment. Community projects would create employment opportunities for such young people.

The Government should concentrate on the protection and enhancement of the countryside environment and set national strategies for the protection of rural areas. That will entail considering hedgerows and the retention and planting of woodlands so that we can rebuild the rural community that was decimated by many of the Conservative Government's policies. There should be a Minister in each Department responsible for countryside matters, and the Government should help to provide low-cost housing by assisting housing associations and using some capital receipts to allow local authorities to build small developments of rented accommodation. That would allow many of my constituents to stay in the communities in which they were born and have grown up.

The current review of transport policy should enable bus services to be examined again so that they are improved in many of my rural communities. Many Conservative policies caused great damage, and there is

[Mr. Hanson]

much that the new Government need to do. Their policies will help all the people of the United Kingdom and specifically many of my rural constituents.

The Government should consider using lottery funds to help rural areas. There is much that a people's lottery can do to refurbish village halls and to provide amenities in villages and playing fields. Rather than concentrating lottery money on the major towns and projects, spending should be diversified and put into local communities. That would encourage small organisations as well as the large, well-prepared, well-briefed organisations to have access to lottery money.

There is an opportunity for people in rural areas to work with the new Government. Many of us live and work in rural areas and speak for their inhabitants. The Government have an opportunity to do much good work that will undo some of the damage caused by the Conservative Government. We shall govern for all the people of this United Kingdom. All our people have a stake in it, and we speak for rural areas as strongly as do the fox hunters, the shooters and Conservative Members.

10.14 am

Mr. Alan Clark (Kensington and Chelsea): The debate takes place in the immediate aftermath of the great countryside rally in Hyde park, which I attended. The countryside is under threat from a range of influences, which my hon. Friend the Member for West Suffolk (Mr. Spring) has described. Stupid bureaucrats, greedy speculators, rogue gangs and cultural and material vandalism have all placed the countryside that we all love and cherish under threat.

The rally seemed to polarise two important issues on the issue of fox hunting. One of those issues is the tension between town and country, which has been exacerbated, particularly by spiteful and malicious press coverage in, for example, *The Mirror*. It referred to people who live in the countryside as bumpkins, and the reports seemed to be written by a gang of reporters who have no feeling for the countryside or the cause of animal welfare, which they pretend to espouse. Presumably they went out and ate enormous plates of steak and chips after filing their reports.

The second issue that has been affected by the polarisation is animal welfare, which the single-minded obsession with fox hunting is threatening. My credentials in this field are well known and I hope that the House will allow me briefly to weary it with them. My maiden speech supported a Bill to abolish hare coursing, which was presented by the Secretary of State for the Environment, Transport and the Regions when he was in opposition, and I voted for his later Bill to protect wildlife.

When I was Minister for Trade, I drafted legislation on fur labelling which is currently being enacted by the European Union. I have participated in many such activities, including joining the picket line at Dover docks. That was probably not the best way to ingratiate oneself with the Conservative associations which I was assiduously courting at that time.

I do not hunt and I do not permit hunts to cross land that I own. Some types of hunting are cruel and sadistic. They include the practice of stopping up, which, for Labour Members who do not know about it, involves blocking a fox's earth so that, at the end of the pursuit, the fox cannot go underground, digging him out when he does go underground, and cubbing. There should be a close season on that pastime. Stag hunting is another such pastime. The right way to get rid of a stag is with a Mannlicher .273 with a telescopic sight, not tearing it to pieces in water.

Those who favour a Bill on fox hunting must be prepared to make some concessions. There is a majority feeling on the topic that cannot be ignored. If Labour Members and the Government are prepared to make illegal—and they should be illegal—the practices that I have identified, they could allow the pursuit of a fox across the countryside. That practice is deeply rooted in the pageantry of our rural history, is seated in 300 to 400 years of practice and has not only a pictorial but a sporting element attaching to it. If they can sanitise it by taking out practices that are genuinely offensive, barbarous and cruel, they would be well advised to allow it to continue.

The whole question of animal welfare has become so polarised that matters that do require attention—laboratory experiments, brutalities in stockyards, factory farming and the horrendous industrialised exploitation of animals, which takes place daily—all need to be addressed urgently by the House. There is a danger that, if Labour Members get rid of fox hunting, they will feel that they can turn their attention to other things—that they have done their duty in the animal welfare sector and can move on. This is an important subject which requires careful attention and proper analysis. There is room for a compromise along the lines that I have suggested.

10.20 am

Mrs. Diana Organ (Forest of Dean): I thank the right hon. Member for Kensington and Chelsea (Mr. Clark) for his contribution, and agree that that issue is dear to many people in rural areas and needs full debate and full investigation. However, it is fascinating that, in a debate on rural policies, the hon. Member for West Suffolk (Mr. Spring) and the right hon. Member for Kensington and Chelsea talked almost exclusively about a minority blood sport. There has not been much comment on what is at the heart of rural issues.

One of the reasons why Labour won so many rural seats in the general election in May is that we addressed the real issues in rural areas. Conservative Members have talked about people coming to the rally from Scotland, Wales and Cornwall. Where is the Conservative representation in those areas? The idea that Conservative Members represent the countryside is nonsense. It is the Labour Government who represent people in rural areas, because we address the issues that concern them.

Mr. Spring: The hon. Lady entirely misses the point. The Labour party is in government. It is now responsible for rural areas. We should like some answers on policy issues, which, so far, it is pushing out of the way. That is the whole point of this exercise.

Mrs. Organ: The point of the exercise is to show that the past 18 years of Conservative Government have decimated rural services and rural transport, have hindered access to affordable housing and have put rural areas at a disadvantage compared to urban areas.

The biggest problem in rural areas is access to jobs, to advice and to housing. Because of the 1985 bus deregulation, the Conservatives cut off at the knees any opportunity for rural areas to be able to develop a good communication and transport infrastructure. The pursuit of the market principle which the Conservatives followed relentlessly for 18 years, with the threats on the Post Office, rail privatisation, bus deregulation, the development of out-of-town shopping and inappropriate housing development, is the reason why rural areas felt increasingly marginalised, looked to Labour and said, "Yes, you have the policies that address our concerns." Added to the chaos in the agriculture sector and the total mishandling of the bovine spongiform encephalopathy crisis, people lost all confidence in the Conservatives.

Problems in rural areas are often difficult to identify because people suffering social deprivation often live in small pockets, cheek by jowl with wealthy people. In my constituency, there are small pockets of deprivation in places such as Broadwell, Bream, Lydney and Cinderford, but they are cheek by jowl with affluent commuter areas such as Newent and Newnham. The problems are therefore difficult to identify.

The second problem is that, in many ways, rural areas' deprivation problems are worse than those of urban deprivation because of the problem of access. That is biggest issue in rural areas. People need to get a job and to training. In the Forest of Dean constituency, there are three principal towns: Lydney, Cinderford and Coleford. People can take a bus only from Coleford to Cinderford. They cannot get one from Lydney to Cinderford, yet it is the centre of further education, skills and training. That means that people live in rural areas do not have access to the services that they require.

One thing that we must do in the transport review is to make bus services accountable to local communities so that they have a say in the frequency of service, the route and the setting of fares. The 1985 deregulation increased the poverty of rural areas almost incalculably.

The other issue is the release of capital receipts. The lack of affordable quality housing leads to distress and homelessness in rural areas. Capital receipts will allow local authorities to improve the housing stock and maintenance, and, more important, to build social housing in rural areas.

Mr. James Gray (North Wiltshire): Is the hon. Lady aware that most capital receipts have been raised in relatively pleasant rural areas and that the greatest social deprivation is likely to be found in cities? Therefore, most of our carefully preserved and raised capital receipts in rural areas will be spent elsewhere in England.

Mrs. Organ: That is not true. The hon. Gentleman should consider where the capital receipts are held. I absolutely refute that. The Labour Government have clearly said that we need to consider housing need and the best value that can be delivered, so we will move funds appropriately.

Local authorities in rural areas where there is housing need to hold capital receipts.

Mr. Nick St. Aubyn (Guildford): Having sat on the Standing Committee that considered the Local Government Finance (Supplementary Credit Approvals) Bill, which releases that money for housing spending, I believe that I am right in saying that, in the hon. Lady's constituency, the proposed formula will leave it worse off than it would have been if its authority had been left to spend its own capital receipts. I believe that I am right in saying that her constituency is one of those that will suffer under the system that the Government propose to introduce.

Mrs. Organ: Forest of Dean district council holds capital receipts of about £11.4 million, and we can deploy that money in all sort of projects, involving co-operatives, maintenance and grants to projects such as Anchor "Stay Put" to increase housing stock quality.

We need access not only to affordable social housing and transport, but to new technology—information technology. We do not want rural areas to become information poor. Labour's plans for putting ports and outlets through telecottages, schools, libraries, hospitals and colleges, and for access to cable and the super-highway, will enable rural areas to end their marginalisation and to be at the centre of the information revolution in Britain. That is important because such a revolution, through the training and the access that it offers, means that it will not matter whether you live in a small rural hamlet or in the centre of the metropolis. You will be equal with one another: you will shall have equal access to training and equal opportunity.

We must develop and sustain rural areas. In the past, it has been considered that large-scale private housing developments would be a way to provide sustainable economic growth to rural areas. I totally refute that. That is not the way forward. We are left in Gloucestershire with a vestige of Tory planning. There are plans to build estates of 1,000, 1,500 and 2,000 homes in areas of Gloucestershire such as Painswick, Sedbury and Tutshill. That is wholly inappropriate to those small villages. It is not the way forward and we are fighting to ensure that those plans do not go through.

Instead, we need to build on all the opportunities that the countryside offers. There is a strong arts and crafts heritage in the Forest of Dean. Indeed, in the British economy, the money deployed from culture is greater than that from manufacturing. There are many examples of rural areas being regenerated and revitalised through the growth of small-scale arts and crafts business that grow into large ones, such as Laura Ashley, Robert Walsh in Chipping Campden and Dartington in south Devon. Lottery money should be used to encourage the arts and crafts heritage in rural areas so that we can build sustainable small and medium-sized enterprises.

Mr. Michael Moore (Tweeddale, Ettrick and Lauderdale): Will the hon. Lady join me in supporting the work of the Rural Development Commission? Will she oppose any moves by her Government to abolish it?

Mrs. Organ: You are scaremongering.

Mr. Deputy Speaker: Order. Perhaps I could help the hon. Lady. On a number of occasions, she has used the term "you". She involves the Chair when she does so. I am reluctant to call her or order, but it might help her, so early in her career, to take note of such matters.

Mrs. Organ: I apologise, Mr. Deputy Speaker, for my lack of politeness to the Chair.

[Mrs. Organ]

It is important to develop sustainable small and medium-sized businesses, using all the rich opportunities of the countryside such as leisure, tourism, culture and the arts. We need sustainable economic growth. We must deal with the real needs of the countryside.

Mr. Bercow: I have been listening closely to the hon. Lady's thoughtful speech. She criticised my hon. Friends for what she thought was an excessive preoccupation with country sports. I hope that she will forgive me for saying that she seems studiously to be avoiding any reference to that subject. Does she propose to vote for a ban on fox hunting? If so, did she inform her electorate of that before the election?

Mrs. Organ: I have avoided the subject because it is a minority activity. The real issue is policies in rural areas. The Government will deliver policies on transport, housing and economic development that will deal with all the needs of rural areas.

10.32 am

Mr. Andrew George (St. Ives): I have had the great pleasure and privilege of being born and brought up in my constituency. Therefore, I speak from some experience of life in rural areas and the impact of Government policies on that, rather than from—as is all too often the case—the perspective of people who have moved there latterly from better-off backgrounds and suburban environments, and have a rather idyllic and out-of-touch view of what living in rural areas is all about.

I was surprised that the hon. Member for West Suffolk (Mr. Spring) should imply that all the ills facing the countryside are due entirely to the policies implemented by the Labour Government over the past two months, rather than those implemented by the Conservative Government over the past 18 years.

I remember going to the Lizard area when the Cury hunt was out. The whole community came together and my mates and I chased around on our pushbikes to see what was happening, although I do not remember the hunt ever catching a fox. I do not think that whatever happens to that leisure pursuit will have a significant impact on the economies of rural areas. I agree with the hon. Member for Forest of Dean (Mrs. Organ) that there are far more pressing issues facing rural areas.

Conservative Members talk about leisure pursuits, but there should have been more support from the previous Government to improve facilities in rural areas. For example, they should have recognised—in the teeth of prejudice—the need for improved skateboarding facilities. Too often, we think about the leisure needs of the privileged, but the less well-off also have leisure needs. Providing those facilities would contribute considerably to the economies of rural area—

Mr. Alan Clark: Skateboarding!

Mr. George: The right hon. Gentleman represents the rural area of Kensington and Chelsea. He appears to be opposed to skateboarding in rural areas. It is an important issue. We want to tackle crime in rural areas, and providing leisure facilities for young people is important to that. Indeed, it is far more important than the wholly unimportant issue of fox hunting.

Several hon. Members *rose—*

Mr. George: I will not give way. There have been many interventions from Conservative Members, and the Minister is waiting to reply to the debate.

Cornwall is an example of how the previous Government affected the economy of a rural area. Over the past 18 years, it has been at the bottom of the earnings league. It has one of the highest levels of unemployment among rural areas. As the hon. Member for Forest of Dean accurately and rightly pointed out, the environment has been under great threat from the let-rip attitude of previous Tory environment Ministers, who have allowed rural areas to be over-developed with speculative housing and out-of-town supermarkets, despite the strong objections of local authorities.

Mr. Geoffrey Clifton-Brown (Cotswold): The Conservative Government's White Paper predicated that 4.4 million more houses would be needed by the year 2016. Where does the hon. Gentleman think those houses will be built? Does he want to deny people who want to move out of the cities the opportunity to live in rural areas? That would be the consequence of no further development in rural areas.

Mr. George: The fundamental flaw in the Conservative Government's policy was that they based their estimates of future population growth on past levels. That is spurious and I object strongly to that approach to planning needs.

Cornwall is a good example of population growth. It has grown faster than anywhere other than the county of Buckinghamshire, which has the new town of Milton Keynes. That growth has not been integrated with economic policies; instead, there has been a massive increase in unemployment. Growth and economic policies have not gone hand in hand. If the hon. Member for Cotswold (Mr. Clifton-Brown) is concerned about accommodating people in rural areas, what about the local people who have made homeless by Tory policies?

Mr. David Heath (Somerton and Frome): I share my hon. Friend's analysis of the behaviour of a Tory Government run by a suburban party.

It is very difficult for me to listen to the comments of some Members because, tomorrow, we will discuss capping provisions that will have disastrous effects on rural services in my own county of Somerset. I hope that some of the hon. Members who have spoken so eloquently on rural services in today's debate will support the counties of Somerset and Oxfordshire in tomorrow's debate on the issue.

On the matter of planning and housebuilding—

Mr. Deputy Speaker: Order. The hon. Gentleman's intervention is far too long.

Mr. George: I am sure that the matter mentioned by my hon. Friend the Member for Somerton and Frome (Mr. Heath) will be debated fully tomorrow. Because of

my deep experience of the pains and pleasures of living in rural areas, I have a great deal to say—as I am sure that hon. Members will appreciate—on the matters that we are debating. However, I am aware also that I must leave time for the Minister's reply.

The past 18 years of Tory Government policy have led to an increase in homelessness in rural areas. The housing market is often called an open housing market, but it is a private housing market. In Cornwall, we have one of the nation's biggest mismatches between earnings levels and house prices. Opportunities for local people to get on to the first rung of the housing ladder are very few and far between, and those trying to obtain a council house in a remote rural area cannot get one.

In the private rented sector, the tourist industry has taken precedence. Rural areas therefore face enormous pressures, making it incredibly difficult for local people to find accommodation.

Building speculative, executive homes in rural areas does not answer the housing needs of local people. Those needs were also not met by the Tory Government's legislation, which allowed council tax reductions of 50 per cent. for second-home owners in rural areas. Such measures simply further encouraged the iniquitous trend towards second-home ownership, which—hand in hand with homelessness and a shortage of affordable housing—has greatly increased in many of the villages in my constituency.

Although many rural issues must be addressed, I specifically ask the Minister to tell us whether an integrated rural policy will be developed involving all Departments, including the Department of the Environment, Transport and the Regions, the Department of Trade and Industry, the Department of Health—because many cottage hospitals are under threat—and the Ministry of Agriculture, Fisheries and Food.

We must also recognise the important role of the Rural Development Commission and the Countryside Commission. It was rather rich for my hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Moore) to question the Government's commitment to the Rural Development Commission. They have withdrawn funds from the commission and spent some of its core budget on the frivolous activities of rural challenge. I hope that the Minister will address the issue of integrated policies.

10.42 am

Mr. Tim Yeo (South Suffolk): I congratulate my hon. Friend the Member for West Suffolk (Mr. Spring) on securing this debate. Judging by the level of interest shown by hon. Members, especially Opposition Members, we could use a full day's debate on the subject every week for some time to come. I pay tribute to him on his speech, in which he made many important points. He is a resolute champion of rural interests in Suffolk.

My right hon. Friend the Member for Kensington and Chelsea (Mr. Clark) expressed views for which he is well known. I have no doubt that other hon. Friends, if they could have spoken in the debate, would have dealt in some detail with the points that he raised. I hope that they will have an opportunity to do so in a future debate.

I regret to say that I felt that the speeches by Labour Members demonstrated the nature of the problem. There may be many Labour Members in this Parliament, but there are very few with an understanding of the countryside. Judging by the attendance for today's debate, very few Labour Members have even an interest in the countryside.

Among the very important points raised by my hon. Friend the Member for West Suffolk were the irrelevance of an additional tier of government for rural areas, the bias of many county councils—certainly it is true of Suffolk county council—against rural areas and in favour of urban areas, where Labour party support has traditionally been concentrated; neglect of—

Mr. Andrew Love (Edmonton): Will the hon. Gentleman give way?

Mr. Yeo: No. I am sorry, but I do not have time to give way.

Other points raised by my hon. Friend the Member for West Suffolk were the neglect of important rural assets, such as footpaths, and the impact of the minimum wage on the rural economy. I note that the hon. Member for Delyn (Mr. Hanson) did not say at what level the minimum wage which he so enthusiastically supported should be set.

On field sports, I reiterate my robust opposition to any legislation that aims to outlaw traditional country sports. In that context, will the Minister be able to tell us whether the fact that so many Labour Members support such legislation is connected to the £1 million donation to the Labour party from the International Fund for Animal Welfare? In the previous Parliament, in early-day motion 726, that organisation was described by Sir David Steel as

"a private company . . . which is simply an animal rights lobbying organisation fleecing money from the public and enriching its operators".

Will the hon. Lady tell us whether the Labour party solicited that donation? In view of the Labour party's proclaimed commitment to opening up details about party funding, will she tell us—I am sure that she will not wish to dodge the question—whether the International Fund for Animal Welfare approached Labour, if Labour did not approach the fund?

Given the size of the donation, one must assume that the Labour party made detailed inquiries about the nature of the fund's activities.Will the Minister therefore tell us on what basis the Labour party judged that fund to be a suitable organisation from which to accept money? What discussions were held between Labour and the fund on the issue of field sports? If she cannot answer those questions in her reply, will she write to me and place a copy of her reply in the Library?

My hon. Friend the Member for West Suffolk mentioned the White Paper on rural England, which was published—to widespread acclaim—in 1995. A progress report, "Rural England 1996", assessed the achievements of the 12 months following publication of the White Paper. At the conclusion of "Rural England 1996", there was a commitment to making subsequent progress reports in 1997 and thereafter. Will the Minister confirm that the Government intend to honour that commitment? Will she confirm also that future progress reports will contain the same helpful check list, listing every individual commitment, which was originally made in the 1995 White Paper and occupied the last four pages of "Rural England 1996"?

[Mr. Yeo]

My hon. Friend the Member for West Suffolk also mentioned access—a crucial issue for many people living in the countryside. Will the Minister now tell the House what is meant by the Labour party's manifesto commitment, which refers to

"greater freedom for people to explore our open countryside"

but adds:

" We will not, however, permit any abuse of a right to greater access"?

Does that commitment mean that there will be legislation to introduce a statutory right to roam? If it does not mean that, what does it mean?

Does the Minister understand that the uncertainty—indeed, the threat—about the Government's intentions does nothing to encourage further progress on voluntary agreements with landowners, which have secured such an enormous increase in the amount of open countryside to which the public now enjoy access?

My final comments deal with the all-important matter of resources. In the 2 July Budget, the Chancellor of the Exchequer announced his smash-and-grab raid on pension funds by abolishing the advance corporation tax credit. Even now, two weeks later, the full impact of that smash-and-grab raid has not yet been fully understood. The consequences of the Chancellor's raid are devastating for rural areas and for the local authorities that are responsible for those areas. Norfolk county council, for example, now faces an annual shortfall of £5 million a year in its pension fund, which is more than 1 per cent. of its total budget. In Lincolnshire, the equivalent figure is £2.45 million; and, in Somerset, it is £2.1 million a year.

The shortfalls have already started to accumulate—the change was made effective two weeks ago—and they need to be made good very urgently. If local authorities are to act responsibly in the interests of their employees and future pensioners, they cannot allow their pension funds to fall into substantial deficit. Therefore, local authorities' contributions to those pensions funds must rise.

There are three options to meet the cost of those higher contributions. The first is that services can be cut; the second is that council tax can sharply rise; and the third is that the Government will raise the revenue support grant. There are no other options. Will the hon. Lady tell the House today which of the choices the Government propose to adopt? If she cannot tell us, will she at least say when she thinks the Government will announce which option they have chosen?

To put a little flesh on the argument, in Norfolk more than 200 teachers may now face the sack, making a total mockery of the Government's election promises about class sizes. As the hon. Member for Putney (Mr. Colman) warned the Chancellor before the Budget, no increase of the sort required by the abolition of ACT could be afforded by local authorities without their having to make further cuts in services to their local residents. Millions of anxious people in the countryside will be hanging on the Minister's words this morning. They are wondering whether the Chancellor's smash-and-grab raid will cut services in their areas. Their uncertainty and anxiety should be ended at the earliest possible date.

I greatly regret that there is no time to pursue the other important issues raised in the debate. The Minister may not be able to respond to all the points raised by me and my colleagues, but I hope that she will deal with as many as she can. In passing, I remind her that I am still waiting for a letter from her on related issues that I raised in a debate on 10 June.

The importance of rural issues has been reflected in today's attendance and in the quality of the speeches, especially those of my colleagues. In the afterglow of their election victory, the Government may think that a majority derived from urban constituencies gives them the right to ride arrogantly and contemptuously over country dwellers and their concerns, but last week more than 100,000 people issued a powerful warning to the Government in Hyde park. This week, my hon. Friends have repeated that warning to the House. The Government ignore that warning at their peril. The Minister now has a chance to show that the Government will at least start governing in the interests of all the people in this country, including those who enjoy and live and work in the countryside.

10.51 am

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): I congratulate the hon. Member for West Suffolk (Mr. Spring) on his success in securing this debate, but he and some of his colleagues have missed the opportunity to deal with some of the real issues facing people who live in rural areas.

It is interesting to find that, in the general election, the hon. Member for West Suffolk suffered a 13 per cent. swing to Labour in his rural area. His majority is now only 1,800. When people had the chance to express their views about the previous Government's 18 years in office, there was a huge swing against the hon. Gentleman and the Conservatives—that is the real view of the people of rural Britain, not that expressed by the people in Hyde park last week.

Mr. Clifton-Brown: Will the hon. Lady give way?

Angela Eagle: No, I have fewer than 10 minutes. Plenty of Conservative Members—well, all 11 who managed to stay for the entire debate, which is not a startling turnout—have had the opportunity to speak.

The hon. Member for South Dorset (Mr. Bruce), who accused me of not being briefed, left the Chamber for some of the debate and then returned, misquoted the levels of the minimum wage recently agreed by the agricultural wages board. For his information, they now stand at £4.20 an hour for ordinary labourers and £3.06 an hour for casual workers.

Mr. Ian Bruce *rose—*

Angela Eagle: No, I am not giving way.

Mr. Bruce: On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Is it really a point of order?

Mr. Bruce: It is indeed, Mr. Deputy Speaker. I want to ask your advice on how I should proceed. I left the

Chamber to check the figures, and I find that I did mislead the House. The minimum wage for an 18-year-old is £2.60 an hour, not £2.95, and for a 16-year-old it is £1.84.

Mr. Deputy Speaker: That is not a point of order.

Angela Eagle: Out of interest, the hon. Gentleman's majority is now 77. There was a 15 per cent. swing against him, which again shows the views of rural voters on the previous Government's 18 years in office.

Conservative Members have presented a caricature of the urban-rural debate. I understand that people have very powerful feelings about fox hunting and some issues which may be coming before the House in private Members' Bills, but this debate should rightly have been about the issues raised by, for example, my hon. Friend the Member for Delyn (Mr. Hanson) in his excellent contribution, my hon. Friend the Member for Forest of Dean (Mrs. Organ) and, indeed, the hon. Member for St. Ives (Mr. George).

They spoke about the problems that rural people face every day—the problems of transport, access to schools, hospitals and housing, especially for young people who face having to leave the places in which they were born because they cannot afford to live there. They are the issues that affect the everyday lives of people in our rural communities. It is a great pity that Conservative Members could not spend very much time even thinking about them because they were so obsessed with issues such as hunting, which the House will be debating.

Conservative Members made great play of last week's Hyde park rally. We were all privileged to hear the speech of the right hon. Member for Henley (Mr. Heseltine), who told the rally that what he sees as the threat to hunting is a

"vicious onslaught on a treasured tradition of rural life."

Where were Conservative Members—in fact, where were the members of the public who were in Hyde park last week?—when the right hon. Gentleman decimated the coal industry and destroyed 55,000 jobs in rural areas? The Conservative Members were in the Lobbies voting for it, so we shall take no lectures on hypocrisy from them.

In the time left to me, I should like to ask Conservative Members to take this opportunity to condemn—*[Interruption.]*

Mr. Deputy Speaker: Order. There is a great deal of noise from Opposition Members, which is unfair when a Minister is replying to the debate.

Angela Eagle: Will Conservative Members take this opportunity to condemn the threats received by my hon. Friend the Member for Worcester (Mr. Foster)? A snare was recently sent to him in the post. He received a letter saying that the writer

"would like to throw your entrails to the dogs."

Another said:

"You will not live to see the end of your Bill".

A third said:

"You and your family ought to find bolt holes"—

[Laughter.] Death threats may be funny to Conservative Members, but they do not reflect well on the people who send them. I would expect the party of law and order—it still prides itself on that title despite its record in office—to condemn such assaults on free speech.

Will Conservative Members also condemn some speakers at the Hyde park rally who threatened to burn forests and poison water supplies and who stated that that rally would be the last peaceful one? These are not the activities of people to whom we should listen seriously. Conservatives Members need to realise that the majority of people in the countryside are anti-hunting. We must also remember that hunting is not a town-country issue—it is a moral issue, which is why there will be a free vote for Labour Members, should the Bill be debated.

In the very limited time I have left, I shall point out that the Government believe in opportunity, fairness and prosperity for all. That applies equally to urban and rural areas.

Mr. Owen Paterson (North Shropshire): Will the hon. Lady give way?

Angela Eagle: No. I have only two minutes left—be real.

In our manifesto, we gave a number of pledges on rural matters. We pledged to recognise the special needs of rural areas and communities, not to allow public and transport services in rural areas to deteriorate, to give greater protection to wildlife, and to give greater freedom to people to explore the open countryside. It has already been said from the Dispatch Box that the principle of access is not negotiable, but we are aiming for an extremely wide-ranging consultation with all the parties involved on the question of access to the countryside. The consultation paper will be issued before the end of the year. We want to hear everybody's views so that we can come up with workable legislation that will be supported as widely as possible.

The Conservatives brought us BSE, transport deregulation and the poll tax, which decimated the incomes of many rural people. They have no representation in Scotland and Wales. Their concern about fox hunting and many issues that people in rural Britain feel are irrelevant sits pretty ill. If they want to get back on to the Government Benches within a reasonable time, they must modernise. They need to realise that they have to represent the real interests, views and life styles of all people in Britain if they are to have a chance of regaining the trust of the electorate.

Mr. Ian Bruce: On a point of order, Mr. Deputy Speaker. I appreciate that the Minister had a limited amount of time, but two pieces of information were given to the House during the exchanges. The first is about the minimum wage. The Library has just given me the figure, which is £1.84 for 16-year-olds. The hon. Lady—

Mr. Deputy Speaker: Order. The hon. Gentleman has already commented about that. It is not a matter for the Chair. Any facts and figures given by hon. Members are given in good faith. It is not a matter for the Chair, and the hon. Gentleman cannot put the record straight on a point of order.

Coal Areas (Housing)

11 am

Mr. Joe Ashton (Bassetlaw): I thank Madam Speaker for making time available for a debate on this important national problem.

After the miners' strike of 1984-85, the previous Government instructed British Coal to sell its stock of houses. At that time, it owned 165,000 or 170,000 houses of different types that had been built at various times in colliery areas. In 1984, parts of some of the older villages were put up for auction to any speculator who would buy them.

The houses were first offered to the miners. Many of them purchased their homes, even though the pit was closing. However, many elderly miners did not want to buy their houses, because they were 50 or 60 and not in the best of health, so they carried on renting. The houses were sold en bloc in many areas throughout the country—south Wales, Yorkshire, Nottinghamshire, Derbyshire, Durham and Scotland. The speculators moved in and snapped up the houses, often for as little as £3,000 or even £1,500 each.

I am particularly concerned about the village of Warsop Vale, on the boundary of Nottinghamshire and Derbyshire, abutting on to the constituency of my hon. Friend the Member for Bolsover (Mr. Skinner). A landlord called Dennis Rye bought many houses in Derbyshire and Nottinghamshire. The area has had nothing but problems since.

The houses in Warsop Vale were built around the turn of the century—probably at about the time of D. H. Lawrence. A D. H. Lawrence film could be made there, with the back ginnels and the back yards. They were decent terraced houses. With improvement grants from the council, bathrooms had been added to the backs of the houses. It was a happy village. There are people of 75 who were born in the village, worked all their life at the pit, married someone from the village and still live there. It was a good community with thriving pubs and shops.

The past 12 or 13 years have been disastrous. The private tenants moved in by the landlords as the pensioners died were often transient residents. Many had been evicted or had left their wives and run off with someone else. The private landlords advertised in the papers for them. The tenants had no feeling for the community, often staying for just a few weeks. Their weekly rent for a small terraced house was sometimes up to £55 or £60, paid by housing benefit. We protested strongly about that, but the Government of the time were in favour of a free market for rented houses and were happy to pay £50 or £60 housing benefit for each house. The area became like a transit camp, and the problem grew and grew.

When the previous Government restricted the rents to more or less what the council would have charged—about £20 or £25 per property—the private landlords decided that the houses were not worth letting. It was easier to let them stand empty and try to make the council take the blame or get a lump sum from the council for the empty houses.

The houses were soon vandalised. Kids threw bricks through the windows and organised gangs moved in to strip them of anything with a second-hand value—radiators, taps or doors. Anything that could be unscrewed was taken. Kids in the neighbourhood, who had no jobs and no future at the pit, as their fathers had had, set fire to parts of the houses. Some houses became infested with vermin. Warsop Vale and many other villages now look like a war zone. Places have been shelled and set on fire and look like houses after the blitz. I lived through the blitz as a little boy and remember seeing some houses inhabited and others left derelict for a long time.

The miners who bought their houses cannot sell them. They have modernised the houses and made them into what we in our neck of the woods call little palaces. Many have double glazing, new doors and central heating. They are unsaleable because of the empty houses next door that have been set on fire, have rats or are vandalised. The whole place is in a terrible state. European grants have been given to some villages to renew the pavements and the lighting, but there has been nothing for the housing.

It is impossible to attract new industry. Anybody thinking of setting up a new factory looks at the housing and the wreckage and moves elsewhere. There are so many empty sites available in pit areas that people can take their pick. There may be subsidence problems in the area because of the old pits. People whose families have lived next to a colliery for 100 years, with heavy lorries going back and forth, klaxons sounding at night, night shifts and dust from the spoil heaps now have to put up with the houses turning into slums.

In addition, the Fitzherbert estate now wants to move in and quarry for thousands of tonnes of limestone, as do Tarmac, Redland and any other company that knows that it can enhance the value of the old pit site by £1 million simply by getting planning permission for limestone extraction.

We are talking about people who have suffered all their lives. They have no hopes unless the new Government take action. I have been going to the village for many years saying that we need a new Government and new policies.

Mr. Bill O'Brien (Normanton): Does my hon. Friend agree that, because of the rundown of the villages, amenities such as thriving shops, pubs and telephone kiosks to which he referred have been lost? The old people who made the village no longer have those back-up amenities. That is a further problem for them, adding to my hon. Friend's argument that something should be done for such communities.

Mr. Ashton: My hon. Friend is right. The pub in Warsop Vale has shut. The post office shut and reopened as part of a grocer's shop. Bus services are poor. Elderly people are trapped in their houses, unable to get to a supermarket. It is like a backwater of Kentucky.

Five years later, British Coal again tried to auction off the houses, and there was uproar. My hon. Friends the Members for Mansfield (Mr. Meale), for Normanton (Mr. O'Brien), for Rother Valley (Mr. Barron), for Bolsover, others who want to speak in today's debate and even some Tories, protested strongly at the inhumane attitude of auctioning off people's lives. The Government agreed and told British Coal to sell houses to housing associations.

Later types of houses, made from concrete slabs, which were built in 1947 because miners were coming down from Durham and Scotland, are now in the hands of

housing associations, but they have problems. Many of them need repairs. The iron bar that runs through the concrete slab is often rusted or rotten. Some miners bought such houses, but now find that they are stuck with them because building societies say that they do not have a long life and they will not provide mortgages on them. The housing stock is not very good at all, although I must say that the housing associations that took over the houses have been excellent landlords, and the scheme has worked in that respect.

The landlords who bought the houses for about £1,500 each have made enormous profits. They have managed to take in rents of £50 or £60 a week for 10 or 12 years, while spending negligible amounts on the houses. Now that they realise that they cannot get such rents, they want to sell the houses to the local council for about £17,000 each.

So, along with one or two other private landlords, Mr. Dennis Rye in Warsop Vale, who bought 80 houses, 20 of which have been vandalised and are standing empty, wants to take about £1 million out of the small village of 280 houses. The modernised houses with two or three bedrooms, an attic and a bathroom, which have had grants spent on them and on which many people have spent a lot of money, still sell for only £21,000 each. In London, the same houses would go for £80,000 or £100,000.

The local owner-occupiers and decent tenants have been very angry for many years. Reports have been produced and there have been meetings, but we have got nowhere. Numerous surveys on housing conditions have been conducted by various officers of district and county councils, but everybody blames each other. We need Government action to get something done.

I understand that the Housing Corporation in the east midlands has a surplus of £3 million, so there is cash available if it is a question of housing associations buying the houses. Three or four weeks ago, my hon. Friend the Member for Mansfield and I clashed with the housing associations at a meeting. It seems that they admit that they have the cash but are interested in spending it only on the houses they already own, and are not keen on using it to purchase houses from private landlords and improve such houses. They accept that the Housing Corporation in the east midlands is sitting on the money, but put up strong resistance and display a marked reluctance to taking over houses from private landlords.

The Government have announced that there will be extra cash from the receipts of the sale of council houses, which is very welcome. The announcement was received with acclaim. Obviously, the scheme will be phased in. Local councils have reacted by saying that the money must go on modernising council houses and that they would prefer to spend the cash on their own council houses rather than private rented houses, which nobody wants to touch with a barge pole due to the amount that needs to be spent on them.

There is a problem with the old compulsory purchase powers. When Roy Hattersley was chairman of housing and I was deputy housing chairman on Sheffield city council in the 1960s, the council compulsorily purchased thousands of houses at a time. All that the landlord got was the value of the site. The regulation was simply applied to houses that were unfit for human habitation. I know as well as anybody that they were unfit because I lived in one.

Such houses had lavatories that did not work, they were infested with rats and they were next to belching chimneys and drop hammers. We grew up in such conditions. It was accepted that such houses were unfit for human habitation, compulsory purchase orders were made and the scheme worked—the council built council houses and people were rehoused.

The Housing Act 1985 took away such powers from local councils. Compulsory purchase orders were allowed in certain circumstances, but councils had to pay the market price—whatever it was—and the price had to be agreed with the landlord. Owners are not against selling the houses—they would not mind at all selling them—but they want £17,000 for a house for which they paid £3,000 12 years ago and for which they have charged a rent of £3,000 a year—perhaps they have taken £30,000 in rent in total. That does not add up, and it cannot go on.

In its election manifesto, the Labour party gave an undertaking that council receipts from the sale of council houses which are received but not spent by councils will be invested in building new houses and rehabilitating old ones, and that the scheme will be phased in to match the capacity of the building industry. It quite rightly said that the cash from capital receipts can not only be spent on council houses but can be used for the provision of new social housing in partnership with registered social landlords, for private-sector renovation, for improving energy efficiency and for raising the quality of a neighbourhood by, for example, encouraging or promoting mixed development.

The problem is that there are loopholes in the system. Even if councils had the cash to spend, private landlords would blatantly exploit the loopholes in the legislation. In 1996, the Government introduced the Housing (Fitness Enforcement Procedures) Order. Sections 86/189 and 86/190 should help councils to grab hold of negligent landlords, but there are too many loopholes.

The legal loopholes include landlords being allowed 28 days to start repairs; so they start, and then they stop. The council takes the landlord to court, so he starts again, and then he stops again. Then he does just enough repairs to take the matter outside the law, which covers "substantial disrepair", and says that he has taken the safety measures and does not need to do anything else. The procedures include vague clauses such as the council has to be "minded to take action"—whatever that might mean—and "give fair warning" that it is thinking about taking such action. If the landlord does not do something, the council thinks about it a bit more.

The maximum fine is £2,500. Private landlords laugh at that. It is an offence if somebody intentionally fails to comply with the council order, but it is very difficult to prove such intention in court. Did the person deliberately not comply, not understand the order or employ contractors who went off moonlighting, or could the contractor not find his tools? Usually, the contractors are part of the landlord's business, anyway. The system is full of loopholes, and is not working.

We have a new Government commitment to license landlords of houses in multiple occupancy, which is very good. Such landlords should have to apply for a licence to run houses. There are already thousands of problems with students who are being ripped off and who have to take out massive student loans to pay £40 a week for one

[Mr. Ashton]

room to somebody they do not know or cannot find and who is not implementing any safety measures such as providing fire escapes.

I hope that my hon. Friend the Minister will consider licensing not only houses in multiple occupancy but any dwelling or property where a landlord deliberately keeps it empty or uninhabitable in order to try to put pressure on the council, do a deal, or simply because the property is going up in value. Any house that is boarded up—even if the landlord cannot be bothered to board it up and squatters are allowed in—should be licensed. The existence of such houses is unfair on tenants who live next door, have mortgages and have spent money on their house, but cannot sell it because it looks straight across at a slum with smashed windows where kids run in and out.

It is estimated that 20 per cent. of private rented property is unfit or uninhabitable.

We should introduce new offences. It should be a separate offence for a landlord deliberately to refuse to maintain a house in fit condition for habitation. We should say that no landlord is entitled to receive housing benefit if he refuses to carry out repairs. We should also prohibit landlords from increasing rents if they refuse to do repairs and we should refuse certificates and licences to such landlords.

We should also pass legislation so that tenants of landlords who refuse to do repairs have the right of compulsory purchase of their rooms, perhaps as a co-operative. If the council has not got the money, the tenants could get together and buy their houses at a price agreed with the independent valuer. If that does not work, perhaps because the tenants are elderly, they should have the right to vote for a housing association to take over from the landlord at an agreed price. Such measures would go a long way towards deterring such behaviour by landlords. We should have a licensing system, and we should strengthen laws that compel decent behaviour from landlords.

Only 10 per cent. of chief environmental officers currently think that the previous Government's Housing Grants, Construction and Regeneration Act 1996 has worked. Only 1 per cent. of them believe that it has improved standards. The Act is deregulation gone mad. The previous Government took away all the regulations and let the landlords do what they wanted.

I do not wish to detain the House much longer, but I wish to put on record the recommendations of the legal experts of Mansfield district council, who have a good approach to the problem. I am sure that the Coalfield Communities Association, which has about 80 members among towns, villages and district councils who share the same problems, agree with the legal experts' opinions.

The experts suggest that the Government should abolish the order made under section 86 of the Housing Grants, Construction and Regeneration Act 1996, which is known as the Housing (Fitness Enforcement Procedures) Order 1996; abolish the requirement restricting local housing authorities from specifying the commencement of work earlier than 28 days from the date of service of section 189 and 190 notices; abolish the provision whereby section 189 and 190 notices are suspended on appeal; introduce a fast-track appeals procedure for Housing Act action; change the level of fines that can be awarded on successful prosecutions for failure to comply with sections 189 and 190 to a minimum of £1,000 and an unlimited maximum; change the mens rea of section 198A offences from "intentional" to "without reasonable excuse"; introduce a new provision whereby people commit a summary offence if they fail to maintain their dwelling in a condition fit for human habitation without reasonable excuse; introduce a new power to allow local housing authorities to make control orders on properties that are not houses in multiple occupation; introduce a licensing scheme for all private lettings; introduce a provision under which landlords are not entitled to increase rents unless a certificate from the local housing authority states that the property is fit; introduce legislation to enable aggrieved private tenants to purchase compulsorily their houses collectively or to vote to transfer to a registered social landlord who would buy at the district valuer's valuation; simplify and accelerate compulsory purchase powers; and, finally, introduce legislation whereby housing benefit is payable only to approved landlords.

I am sorry that I have not had the chance to notify the Minister of those points, but the council's legal experts delivered their opinion to me only yesterday. I thank him for giving his time to listen to the debate and I know that many of my hon. Friends wish to speak. I am certain that the Government, if they go about it the right way, can solve the problem.

11.23 am

Mr. Dennis Skinner (Bolsover): I thank my hon. Friend the Member for Bassetlaw (Mr. Ashton) for initiating the debate today. The problems he has described are mirrored in all the coalfield areas, as exemplified by the fact that several of my colleagues are here today to speak on the issue. My hon. Friend gave a list of suggestions by Mansfield district council. Its environment department is certainly at the sharp end of dealing with the landlords who cause problems.

One particular landlord in my area has already been mentioned—Dennis Rye. He has got houses all over the place, including Yorkshire, and I reckon that he has houses in 12 or 15 constituencies. He has spread his net far and wide. In the Pleasley area of Bolsover, which is not very far from Mansfield, Dennis Rye owns some 70 houses. In 1987, he decided to apply for grants, and Bolsover district council agreed to give him grants to improve the houses. Dennis Rye then decided that he wanted grants to make the properties into flats to make more money. The council said that he could have the money, but he appealed against that decision. That dragged out the procedure.

Some years later, Dennis Rye said that the properties should be demolished. So the Bolsover district council, as the Mansfield district council would have done, said that it would put in an order to demolish the houses, which were unsightly and like a bomb site, as my hon. Friend the Member for Bassetlaw described. What did Dennis Rye do? He appealed against the demolition order. The case went to court again and was dragged out further.

Such cases usually go to magistrates courts, but sometimes to the county courts. Sadly, all the magistrates courts work separately, but many deal with the same small number of landlords. Although my hon. Friends and I are aware of the landlords' efforts in all the different areas, the magistrates, for some reason, are not aware that they are being taken for a ride.

In the 1990s, after Dennis Rye had appealed against the demolition of the properties in Pleasley, the Bolsover district council decided to serve repair notices. We all know the problem with those. The landlord gets a builder to knock a nail in a skirting board and that is enough for the magistrates to say that the landlord has made a start on repairs, even though people are still living in terrible conditions.

The process is dragged out even more. Bolsover district council currently has three outstanding actions against Dennis Rye, but the environmental health department knows that the chances of solving the problems are remote, as it told me yesterday, unless the law is changed in the way suggested by my hon. Friend the Member for Bassetlaw.

We all know that the examples in Warsop Vale and in New terrace in Pleasley that I have mentioned are not isolated instances. As my hon. Friend said, many houses were sold off in job lots to landlords in London. I have evidence that, in some cases, groups of houses were sold three times in a month, with each successive purchaser making money from the ribs of miners and their families living in those properties. Eventually, the ownership of the properties ended up in tax havens.

Many landlords have agents in the coalfields. There is an agent in Creswell, a wonderful model village that was built at the turn of the century. Some 200 houses were built in a circle and, at the time, were an example of state-of-the-art building. For many years, while the pit was open, the village had a vetting procedure. The local National Union of Mineworkers and the residents ensured that anybody who took over an empty house was vetted. There was nothing wrong with that, and it gave an element of democracy, but it went when the pit shut.

The Tories—who are not here now, although they were in the Chamber for the previous debate about fox hunting—should understand that this debate is also about rural life. Each of those areas is a village. We are talking not about towns, but about tiny little communities. The Tory Government smashed them as they closed pit after pit. They may not have realised, although I am sure they did, that they took away the mantle of security that existed for the people who lived in those villages.

The net result is that there are no more vetting procedures in Creswell model village, with the result that the houses have been taken over by Villagate Properties, which is based at Westerham, Kent. When repairs are needed, I have to write to someone in Kent, after trying the agent first.

People are coming in from all over the place. My hon. Friend referred to the transient population. About a month ago, some paedophiles finished up living in Creswell model village. I will not go through the details, but they do not live there any more. Action was taken. Least said, soonest mended, but court cases will follow.

I want to stress to the House that the people of Creswell regarded that episode as an insult to them. They had worked hard—the miners at the pit—and now they see all those people coming in and upsetting their community.

I am not saying that everything can be done in next to no time. We have five years, but we do not want to wait for five years; we want to start now. We have a Minister who knows a little about housing. As we know only too well on both sides of the House, not every hon. Member who reaches the Front Bench is well equipped to do the job immediately, but the Minister understands the subject and should be able to make a flying start.

My hon. Friend the Member for Bassetlaw presented a good number of proposals. Every village in the mining communities is affected. I could go on to speak about Langwith, Shirebrook and many others. They follow a similar pattern. People have been deserted by the previous Government. Their jobs have been taken away, and now they are having to put up with living in communities that are falling apart, with desolation and dereliction all around them, as at New Terrace, Pleasley.

My hon. Friend suggested the action that could be taken, and I agree with much of what he said, bearing in mind that local authorities are spending thousands of pounds going to court. Environmental teams in local authorities should be given the power to work together. They know the landlords who are causing all the trouble. Each local authority is litigating separately, but those who want to do so should be able to take joint action against rogue landlords such as Dennis Rye.

My hon. Friend referred to various housing Acts. Local authorities have the power to take a landlord to court to enforce the repair of properties and maintenance of sites, and the need to clear up the dereliction should be part of the argument for the local authority to exercise those powers.

I agree with my hon. Friend the Member for Bassetlaw about fast-track litigation, although that is a matter for another Government Department. I hope that my hon. Friend the Minister will consider that. My hon. Friend also dealt with the licensing of landlords.

For a local authority to enforce a compulsory purchase order, as I understand it, it must be based on housing gain. A local authority should be able to obtain a compulsory purchase order on the grounds that the property is unsightly and a mess—that would deal with Rye, both in Warsop Vale and in New Terrace, Pleasley—or if they can prove that there is constant litigation and that the landlords are using the courts to drag the process out.

I conclude on a more general point, which my hon. Friend may not support immediately. Many of the problems have occurred not just in mining communities, but on a wider scale, because one of the first acts of the Tory Government after their 1979 victory was to introduce the right to buy, which everyone talks about. However, another factor that caused mayhem for many people in our communities was short hold tenancies—the power of landlords to grant three-month or six-month tenancies and then kick people out. That shifted housing powers away from tenants—not that they ever had much power—to landlords. I hope that in the next five years our Government will review short hold tenancies and return to the system of intervention and control.

11.35 am

Mr. Kevin Barron (Rother Valley): I congratulate my hon. Friend the Member for Bassetlaw (Mr. Ashton) on securing this opportunity to debate such an important subject.

Like my hon. Friend, I have in my constituency a large number of properties that were once owned and managed by the former National Coal Board, and as in Bassetlaw, the decision to sell off those properties in the Rother

[Mr. Kevin Barron]

Valley, and the clumsy and disjointed way in which the sell-off was handled, has had serious and damaging consequences for several of the villages in my constituency.

The Rother Valley has three estates consisting of former NCB homes—at Aston, Kiveton Park and Maltby. The houses on the estates were constructed using pre-reinforced concrete. They were built in factories and assembled on site. In the 1950s, at the age of eight, I moved into one of those houses, when I moved from North to South Yorkshire.

Because of their flawed design, the houses on those estates have been classified as defective under the terms of the Housing Defects Act 1984. I understand that those provisions are contained in more recent housing legislation. The steel in the houses is corroded because the concrete has let water in. The steel has expanded, rusted and forced the concrete up on the outside. Consequently, no one will loan money against such a house.

The properties were sold off in lots at auction. Various parts of the estates were bought up cheaply by organisations and individuals who had little or no interest in maintaining the estate as a whole. Some properties were sold by the NCB to sitting tenants in the 1970s and 1980s, and were bought back by the local authority under the 1984 Act.

I shall describe the situation at one estate, Kiveton Park, in my constituency. Florence Unity Biby Richardson and Clive Richardson of Wimbledon own 20 of the houses. Great Parndon Investments of Harlow in Essex owns 14 houses. Michael Windle from Skipton owns 40 houses. He also owns houses on the Maltby estate. Paul Wright of Worksop owns 18 properties at Kiveton Park. DetaRock Properties owns four houses, Globe Properties owns one, and Rotherham borough council, having bought back houses from sitting tenants under the 1984 Act, owns 43.

One of the houses on the estate has a great history, as my case work revealed. The landlord proved to be so bad and difficult to deal with that the London solicitors who were acting as his agents eventually gave up on him. They cancelled their agreement with him and refused to deal with inquiries about the property's state of disrepair. I was told by the firm of solicitors to contact the landlord direct—he lived in Baghdad. He, like many other people, had bought the property at an auction in the Connaught rooms. He had seen photographs of the houses, which looked like decent, three-bedroomed semi-detached houses. No one had told him of the concrete construction that had been classified as defective. He thought that he could spend a few thousand pounds and make a profit.

The fragmentation of the ownership of what are called locally the "White City" estates was only the beginning of the present problems. Although some money is available to make the necessary repairs and correct the building faults of some of the houses, that money is too slow in coming through. When it arrives, the piecemeal way in which it has to be used can itself be a contributory factor in the decay of the estates. I shall return to that thought at the end of my speech.

The Housing Defects Act 1984 allows local authorities to buy such properties from their owners, but it does not fully cater for the circumstances on the former NCB estates. Rotherham borough council was reluctant to buy the residents out, because it had never previously owned the stock and did not consider itself responsible for the situation. The Act made the council responsible, but it showed great reluctance, and I had a public falling out with it about how quickly it should respond and buy the properties back.

While the wrangling about the status of the houses continued, many of them fell into disrepair, and even dereliction, as they became empty. Many hon. Members will know that, when a property becomes empty, that can be the beginning of a steep downward cycle in its useful life. Properties that are empty for any length of time tend to fall into serious disrepair.

With the former Coal Board houses, disrepair can be brought about even more quickly by the new absentee landlords who refuse to take their obligations seriously. Last month, I received from an environmental health officer at my local council a letter that highlights one of the problems:

"As houses become empty they are vandalised and frequently set on fire . . . Since March, I have served a stream of Statutory Notices on two landlords to make such houses secure. Most recently, two properties on one road have been boarded or bricked up following such action. One by the Council in default."

My local council has thousands of pounds outstanding because it has had to take action to protect the interests of the people who live on the estates, especially in terms of the safety of young children. It has spent thousands of pounds because we cannot get the landlords to act responsibly.

Empty and derelict properties also become targets for theft, especially on the estates, where metal fixtures and fittings are sold for scrap. The latest craze on one of the estates is the removing of drainage covers, despite the fact that they are heavier than some of the inside fittings. Of course, the open manholes then become a health and safety hazard. They get filled with rubble, which blocks the drains and causes further environmental health problems.

In some cases, the problems of the estates are becoming so bad that even the infrastructure is failing. A letter from Yorkshire Electricity, which was forwarded to me, says that the company noted concerns about the state of the supply cables, but:

"There will be a need to take an overview of the best approach to resolving this problem since there are so many interested parties on the White City Estate".

That was a reference to the estate on which I was brought up. A couple of years ago I took Jeremy Walker, who works in the Government regional office in Leeds, to see that estate, and showed him the house that I moved into at the age of eight. It was derelict and had been vandalised. People had been in and stolen all the copper, including the main means of stopping off the water. Water was jetting up into the kitchen ceiling, and somebody had thrown an old mattress down to try to stop the flow. The house next door had been burnt out completely, right up through the roof tiles.

My constituents have had to live with those conditions for years. We have had a decade of such problems on the estates, and they are not nice places to live now; they are certainly not like the place that I moved to in 1955 with the rest of my family.

In some cases, fire damage in empty houses means that the only suitable course of action is demolition. However, because of the way in which the bundles of houses were

sold, it is never certain that a single landlord will own adjacent houses that may also need to be demolished. An argument is taking place now about one house that needs to be demolished but is attached to another. The landlord refuses to do anything about the situation, so we cannot demolish a property that is causing a hazard on the estate.

On two of the estates a scheme is in place to reinstate properties, and the work is being done by a local housing association. I congratulate the housing association, which is doing some magnificent work, especially in view of the circumstances on the estates. In some parts of the estate, schemes have been agreed to new build by both demolition and reinstatement of homes under the Housing Defects Act.

The greatest problem is that money for the schemes trickles out too slowly to cope with the scale of the problem. A scheme gets going in an area, but the following year it has to stop, because we cannot get the funding from the Housing Corporation to the housing association. My local council, which owns houses on the estates, is giving them gratis to the housing association so that the process of regeneration can take place. None the less, the problem is still difficult.

Perhaps the most important factor is the botched manner in which the former Coal Board properties were sold by the Conservative Government. It means that no one organisation has control of the process of regeneration, and no proper sanctions exist to make the various parties work together.

The lack of co-ordination leads to fire-gutted houses, open to vandalism, being left standing in otherwise tidy streets. It leaves boarded up houses next to well-maintained ones, and means that properties in need of repair are de-prioritised as resources are reallocated to secure properties that, although they are beyond repair, cannot be demolished. That is not right; nor is it a sound use of public money.

While all that is taking place, tenants' associations have been working closely with housing associations and builders estates to improve their own environment. I pay tribute to the tenants on the estates, who have got together and set up tenants' organisations, which are now arguing with the authorities to get things done. Without them, I do not know what would be happening on those estates now.

Mr. Allan Rogers (Rhondda): We have the same sort of problems in the Rhondda valley, especially associated with such estates, and with unemployment. One of the direct results and hidden charges is the relationship between the scenes of vandalism that my hon. Friend is describing, and general criminality. Unfortunately, it seems that, on some of the estates, the aura and ambience of criminality will not be overcome in this generation. A long-term effect on the community has been created.

Mr. Barron: Yes, I am sure that that is right—but today I shall not go into the wider issues, beyond the economics of the estates to their social problems, which are there for all to see.

Will the Minister have the time to come to the Rother valley and see for himself what action is required to speed up reinstatement and regeneration of the former Coal Board houses? I believe that action must have two main elements.

First, the sloppy handling of the sale of the houses must be rectified. There must be some mechanism to require the various owners to work together better. I do not know whether that should be through some form of compulsory purchase, but it must be done. Public money is being spent in a "patchwork quilt" way because of the ownership of the houses, and that is not good public investment for the future. None of us would choose to invest the money that we, as taxpayers, are investing in the estates in that particular way, but at the moment we have no choice because of the major problems caused by multi-ownership.

Secondly, we need to tackle the skewed system of resourcing repairs and renovations. That means putting in place a better and more coherent system for releasing money to reinstate properties. More money, in bigger blocks and more regularly paid, is needed if the estates are to recover their former prestige.

There is no doubt that the work now being done is improving the estates. The problems are slowly being solved. However, that work throws up questions about how landlords, who are not eligible for current grants, can fit in with the regeneration schemes. Some of them sit and do nothing. All they want is the rent from the properties, yet we as taxpayers may be spending money through housing associations on the house next door, to reinstate it and give it a 30-year life against which money can be borrowed. That is not common sense. If the Minister visits my constituency, I hope that he will address that issue.

Once again, I congratulate my hon. Friend the Member for Bassetlaw for bringing this important matter before the House. I hope that my hon. Friend the Minister will be positive and get out of the ways of the previous Government—ways that caused many of the problems on the estates.

11.49 am

Mr. Paddy Tipping (Sherwood): I am grateful to my hon. Friend the Member for Bassetlaw (Mr. Ashton) for making this debate possible. I am pleased to follow my hon. Friends from coalfield communities who have spoken graphically of the pain and anger in those communities in Nottinghamshire and throughout the country.

There is no doubt that we have had 18 wasted years. Coalfield communities feel strongly that the previous Government buried the coal industry and tried to walk away. My hon. Friend the Minister should be aware that there are high aspirations for what the new Government can achieve for those communities.

People in coalfield communities are characterised by a continual desire for improvement: they always want better for their children than they have had for themselves. They want their children to have better jobs and education, and they are crying out for new investment, new hope and a new future under Labour. It is clear that new investment in housing can bring new hope.

I want to confine my remarks to the fairly narrow subject of housing associations. My hon. Friend the Member for Bassetlaw and others spoke of houses that have fallen into private ownership. My hon. Friend made the strong case that housing associations may have a role in acquiring those houses and renovating them. However, at present those housing associations that own ex-British Coal houses have a liability. I want them, as social landlords, to discharge that liability.

[Mr. Paddy Tipping]

We live in a crazy world in which money from the public purse is given, through legal aid, to tenants of housing association houses to sue their landlords. It is absolutely right for us to work with housing associations and put pressure on them to do up their ex-National Coal Board houses.

In the east midlands, 1,800 houses passed to housing associations in 1984, split three ways between Leicester housing association, Nottingham community housing and East Midlands housing association. It was envisaged that they would renovate those houses, but their efforts were stymied because they were denied grant by what I consider a vindictive attitude on the part of a former Secretary of State, Nicholas Ridley. They were told that they had to fund the renovation by the sale of some of their housing stock, which has proved impossible as the housing industry has declined.

Who wants to buy a derelict house in Bilsthorpe or Calverton, say, for £15,000, £20,000 or £21,000? The associations have not been able to achieve those sales to fund the renovation of the remaining stock. We must move towards renovation and lifting the moratorium on grant for housing associations.

In the Newark and Sherwood district council area alone, 320 housing association houses in such places as Bilsthorpe, Calverton and Rainworth need repair and renovation; in the current year, only 23 are being improved. That is a good benchmark of what has happened up to now. In Newark and Sherwood alone, it will take another 16 years to put all the housing association houses back into good repair.

My hon. Friend the Minister should reconsider the moratorium. I know that he is aware of correspondence from Leicester housing association. Let me reassure him that I am not asking for extra money or for new money. I am concerned about the way in which the Housing Corporation spends its money. I know that its east midlands regional office has £2.4 million of unallocated funds for the current year. Why cannot some of that be applied to regenerating housing association properties? That would lever in more funds, and double the amount up to perhaps £5 million.

The situation in the east midlands is not unique; it is repeated throughout the country. We should examine the reserves held at regional offices. More important, let us have fairness, not favours, for coalfield communities. Housing associations want to be able to bid for housing grant. They do not understand why they should be precluded from doing that by a vindictive action of some years ago.

My hon. Friend the Minister is well versed in housing matters, and enthusiastic about energy and conservation issues. The kind of housing of which we are speaking has a national home energy rating of only 3.6; when the houses are refurbished, their energy rating rises to 9. Condensing boilers, new windows and loft and wall-cavity insulation can make them energy-efficient. We should be doing that. People should not have to live in damp and cold houses.

Coalfield communities in Nottinghamshire and throughout the country have high expectations in general, and even higher expectations of the new Labour Government. They want new investment in housing, new hope for their families and a better future for their children. They want the blight of poor and derelict housing to be cleared up.

I ask my hon. Friend the Minister to give people some hope by saying today that he will take steps to investigate the moratorium on grant for housing associations and introduce some fairness for the first time in 18 years, so that they can aspire to a better future for their children and their communities.

11.57 am

Mr. Michael Clapham (Barnsley, West and Penistone): I congratulate my hon. Friend the Member for Bassetlaw (Mr. Ashton) on securing this debate, which is important because it gives the House the opportunity to focus on housing in coalfield communities. My hon. Friend referred to the vast number of British Coal houses—the scale is not always appreciated—that were sold off in the 1980s: the figure is between 70,000 and 80,000.

Some dwellings are still being sold off. In the most recent batch, which went along with British Coal's land sales, about 800 houses were sold. Many of them were in terrible disrepair, which is why many tenants did not want to exercise their right to buy. My hon. Friend the Member for Bassetlaw touched on another important reason why those houses were not bought by the tenants: many of those who lived in the houses were former miners, some of whom had been disabled in the colliery and could not work; many were retired; and many were miners' widows.

British Coal put the houses on market and, as my hon. Friend the Member for Rother Valley (Mr. Barron) pointed out, many were bought up by middle eastern business men and have changed hands time and time again, so the tenants cannot always trace the current owner.

The local authorities could not buy because they did not have the money to purchase the housing stock. At the time it was passed on to the market, there was an assault on mining communities. In the 1980s, the Government had a mentality of revenge and sold off houses without giving miners and former miners an opportunity to voice their thoughts on what ought to happen to the housing stock.

Whole villages have been sold off. Two villages in my constituency had a great deal of Coal Board housing—Dodworth on the west side of the constituency and Elsecar on the east. The contrast between the two villages is clear. At Dodworth, many people were in a position to buy their houses—they were still working in the collieries. In general, the miners bought their houses.

As my hon. Friend the Member for Sherwood (Mr. Tipping) pointed out, miners were able to express their aspirations—I would say their "individuality", which is rather different from Opposition Members, who would say "individualism". Miners were able to express their individuality in their houses. Anyone who travels through Dodworth on the main Manchester road will see that the housing stock is in good repair and is a great credit to the village.

At Elsecar on the eastern side of the constituency, the former Coal Board housing stock is in disrepair. Recently, the local press has referred to an estate there being like

Beirut, as it is so bad. There is vandalism and houses have been burnt down and demolished, yet we cannot trace the landlords to clean up the rubbish. Consequently, the rest of the village sees the area as a dumping ground. That has blighted the estate. People who purchased their homes on the Elsecar estate and spent money to make them look decent cannot sell their properties. As I said, some of the landlords cannot be traced, yet mountains of rubbish need to be cleared away.

My hon. Friend the Member for Bassetlaw pointed out what needs to be done. He took advice from housing experts in Mansfield. I urge my hon. Friend the Minister to consider relicensing and compulsory purchase so that local authorities can tackle the problem and restore the dignity of those estates and people can live there in decency.

12.2 pm

Mr. Allan Rogers (Rhondda): I wish to introduce a Welsh dimension into the debate, although the Minister is not responsible for housing in Wales, to emphasise that this is a countrywide problem. Fortunately, I live in what might well be the oldest mining community in Great Britain. As a result, there is an enormously high level of owner-occupancy. People bought their houses from the Coal Board many years ago. The houses are terraced and 78 or 80 per cent. are owner-occupied, so the problem of large, rundown housing estates with communal poverty is not quite as acute as elsewhere. There are, however, ex-Coal Board estates throughout the south Wales valleys that are suffering such problems.

In the owner-occupied areas, there is a lack of grants for repair, and some of the housing stock dates back well over 100 years. The houses are little palaces. People have taken enormous pride in building up their homes over many years.

On the newer Coal Board and municipal housing estates, we have the problem that has been so graphically outlined by hon. Members from Nottinghamshire and Yorkshire—the fabric of individual houses is deteriorating. As a result of that and the lack of occupancy, there is general deterioration on the estates. As I said in an intervention on my hon. Friend the Member for Rother Valley (Mr. Barron), that breeds criminality. The kids have nothing to do and are exploited by the drug pushers, who use the empty and vandalised houses almost as resting places in between the times when they peddle their obnoxious trade. It is not just a housing problem, but an enormous social problem. It is not merely neglect of houses, but neglect of people and communities.

Hon. Members representing mining communities throughout Great Britain have seen the great rundown in our communities in the past 10 years as a result of the previous Government's vindictive actions against the coal industry. We represent areas of enormous pride. We do not come to this place with begging bowls, asking for action to be taken. With the present Labour Government, we are certainly not begging but demanding that action be taken. That is why our communities have stayed faithful to the Labour party for so many years. It is not as though we are on the edge and might be able to sway the balance—not that this Government need that in electoral terms. We have a right to a return from this Government for our communities and the Government will neglect our communities at their peril.

Our communities are proud, and they are not, in general, poverty-stricken. They have produced many leaders. The south Wales valley communities have probably turned out more musicians, poets and writers—I apologise to my English friends for being arrogant. In the Rhondda valley alone, we have six or seven brass bands, four or five of which are of championship standard. Some have won the European championship. We have musicians who are renowned all over the world. Leaders and conductors of symphony orchestras have come from the Rhondda valley and its schools, as have poets and actors.

Throughout south Wales, great names in British cultural life have contributed, through either the Welsh medium or the English language. We are proud communities. All we are asking is that some effort be focused back on to the problems that have been created, particularly in the past 10 years.

The Coal Board and the coal owners before it got their pound of flesh out of our communities. For years, we talked about the masters who lived in London. We want some return. I tell the Minister, and through him his colleagues in the Welsh Office who are responsible for housing: we now require them to do something for our communities. For many years, they have contributed to the wealth of Great Britain. Now, our youngsters—our new generations—require a return.

12.7 pm

Mr. Christopher Chope (Christchurch): I congratulate the hon. Member for Bassetlaw (Mr. Ashton) on raising this important subject. This debate is a supreme example of how difficult it can be to translate the good intentions of politicians into practical solutions. Indeed, it is almost a case study on the diminishing returns of good intentions.

This is indeed a debate about rural communities and the quality of life of those who live in villages built around coal mines that have closed down. When I was a Housing Minister, in the late 1980s, I had the privilege of visiting Mansfield and Bolsover. I still have on my wall a presentation that I received from Bolsover district council showing the Creswell crags.

I am reminded of that visit because I had high hopes following it. I had seen the extent of the dereliction and disrepair that were the inheritance of the nationalised Coal Board. I saw the high hopes of people in those rural communities, who were exercising their right to buy and hoping that housing associations and new landlords would reinvigorate the housing in those areas. It is therefore distressing to hear about the sheer magnitude of the waste of valuable housing resources that the debate has highlighted and of the human misery generated among responsible householders who are locked into a deteriorating environment.

The debate takes me back about 19 years when I was the chairman of a housing committee in a borough that inherited 1,066 empty, vandalised and squatted houses from an old Labour council, which had believed in public housing and despised private investment in housing. That council wanted more and more control and regulation. Those public sector solutions were manifestly unsuccessful in the London borough of Wandsworth in the 1970s. My experience makes me extremely sceptical about some of the solutions that are being canvassed by Labour Members. We hear about more compulsory

[Mr. Christopher Chope]

purchase powers, more penalties for private landlords and more local authority ownership. Such policies are no more likely to be successful in future than in the past.

It was interesting to hear the hon. Member for Bolsover (Mr. Skinner) praising the idea of vetting procedures. There was cross-party political consensus for many decades that we should move away from such procedures. I have in mind the old housing associations that used to have vetting procedures. Council tenants in Wandsworth and Southampton used to tell me that, when they first became tenants, they had been vetted and approved. They had demonstrated how responsible they were, only to find that people moving into the house next door were quite the reverse. I am delighted to hear that there is a move back to vetting procedures. They are, of course, entirely at odds with much that is contained in the Housing (Homeless Persons) Act 1977.

I was interested also in the comments about housing benefit. If the benefit were paid at a higher level, it is clear from what the hon. Member for Bassetlaw said that at least houses would be occupied—perhaps they would not be occupied by ideal tenants, but they would be in use. As soon as housing benefit was reduced, landlords said, "It is not worth our while bringing these houses into use." Houses have become empty and derelict as a consequence of vandalism. The message is that, if we try to buck the market, we end up in the counter-productive situation of housing stock not being used when we know that there is a crying need among many people for housing.

This is an important debate, and I look forward to hearing how the Government think they will solve the problems that have been highlighted.

12.11 pm

The Minister for London and Construction (Mr. Nick Raynsford): I congratulate my hon. Friend the Member for Bassetlaw (Mr. Ashton) on securing the debate, thereby giving us the opportunity to debate a subject of real concern to many people living in former mining areas and in some continuing mining areas. The economic and social problems of such areas are of great concern to the Government. We recognise especially the specific problems that are associated with some of the housing that was previously owned by the National Coal Board.

We have heard a series of disturbing stories setting out a catalogue of neglect and mismanagement. Examples have been presented of communities exploited by unprincipled absentee landlords. That is serious cause for concern, and we are determined to ensure that more effective action is taken to tackle and resolve these problems.

As my hon. Friend the Member for Bassetlaw explained, in the 1980s the Coal Board, under pressure from the former Conservative Government, began a programme of disposal of its homes, which at the time consisted of about 80,000 units. Within the North Nottinghamshire coalfield, about 1,800 were purchased by a consortium of housing associations; others were purchased by local authorities. Mansfield district council holds about 490 former NCB properties. Other properties were purchased by their former tenants, while some were purchased by private landlords, often buying in job lots at auction.

Warsop Vale, the area about which my hon. Friend the Member for Bassetlaw spoke at some length, was built at the turn of the century for workers at the nearby Warsop pit. Of the 200-plus houses in the village, 88 were purchased by Ashfield Nominees Ltd., a company under the Dennis Rye organisation. About 30 others are in the ownership of smaller private landlords. More than half the houses in the village are owned by private landlords. The remainder were purchased by former NCB tenants, who purchased their own homes.

The Government are extremely concerned about the problems of disrepair in the nation's housing stock. In the wider context, we are encouraging local authorities to make every effort to ensure that owners of unfit properties take remedial action without resorting to enforcement powers. Renovation grants and home repair assistance are available at the discretion of local authorities to help home owners on low incomes to improve their properties. However, owners have a responsibility to maintain their own properties, and local authorities are under a statutory duty to enforce the housing fitness standard. We are reviewing the housing fitness standard and enforcement procedures and we shall publish a consultation paper in the autumn.

Authorities have a range of enforcement options at their disposal. Where a local authorities identifies a property as unfit against the requirements of the standard, it must come to a decision and take one of the enforcement options as the

"most satisfactory course of action"

for dealing with the property.

These options are, first, to serve a repair notice specifying the repairs required to make the property fit; secondly, to make a closing order prohibiting residential use of the property; thirdly, to make a demolition order or to declare the area in which premises are situated to be a clearance area; and, finally, to serve or renew a deferred action notice. Such a notice specifies the repairs that are required to make the property fit, but shows that no immediate enforcement action will be taken. In reaching a decision about which of these options is the most satisfactory course of action, a local authority is required to have regard to the statutory code of guidance for dealing with unfit premises set out in circular 17/96.

My hon. Friend the Member for Bassetlaw raised several important technical issues suggested by Mansfield district council that affect its ability to operate the procedures that I have been describing. I hope that my hon. Friend will appreciate that, on technical issues of this nature—I received notice only today—it is not possible for me to give him an immediate response. I shall carefully consider all the points that he raised, and I shall write to him.

Some of the properties in the area of which my hon. Friend spoke are now owned by housing associations. About 10 years ago, a consortium of associations bought about 1,700 tenanted properties from British Coal with a mixture of housing association grant and private finance. In the late 1980s, a policy was drawn up to the effect that housing association grant should not be made available for the acquisition, improvement or repair of tenanted stock transferred from public sector landlords to housing associations. The previous Administration refused to review that policy, which therefore made it impossible

for social housing grant to be made available to housing associations to carry out works to former Coal Board property passed to them.

I have asked officials in the Department of the Environment, Transport and the Regions to conduct a review of the application of social housing grant for the improvement of such properties owned by housing associations. We need to consider the extent to which acquisition costs could reasonably have been expected to reflect the need for future work to the stock. That is why we need some consideration of these issues before reaching a decision. We are reviewing the application of policy and I expect to be able to make some announcement before too long on whether there will be a variation of the previous policy.

I recognise that the problems that concern my hon. Friend the Member for Bassetlaw are predominantly those that relate to properties that are owned by private landlords. In principle, we value a revived private rented sector. It has important and positive role to play in meeting part of the country's housing needs. All too often, it is the sector with the greatest problems of disrepair.

I welcome the fact that many local authorities have established regular liaison forums with the private landlords in their area. These are proving valuable both to landlords and to the local housing authorities, whose job it is to ensure that local housing needs as a whole are met. That sort of co-operative arrangement with decent landlords is to be applauded. It will not work, however, where landlords are unwilling positively to participate in tackling the problems of their area. The Government will have no truck with any exploitative slum landlord who is not interested in providing reasonable quality housing at a reasonable rent.

To deal with these problems, we are committed to introducing a compulsory licensing system for houses in multiple occupation, as the worst conditions in the private rented sector are generally found in such properties. We are drawing up a framework for a licensing scheme so that we can be ready at the earliest legislative opportunity. We expect to issue a consultation paper later this year.

My hon. Friend suggested that the consultation paper should be extended to cover empty properties, such as the derelict homes in Warsop Vale that he described. The Government are not convinced that that would be the most appropriate response, because the licensing of houses in multiple occupation is designed to cope with a situation where a significant number of tenants share the same property and where, as a result, there are particular problems of squalor, and, sometimes, danger because of fire and other hazards.

The issues are very different for empty properties. The licensing framework which we are approaching would not be appropriate for those different circumstances. That does not mean that we are indifferent to the issue of empty properties; indeed, we are extremely concerned about it. I shall say a little more later about our response to empty properties.

I am sympathetic towards the particular problems faced by tenants in Warsop Vale and many other areas. During 1996, Warsop Vale residents association commissioned a survey of properties in the area that were owned by private landlords. The survey, entitled "Stop the Rot", revealed that the wall, floor and roof structures were in generally good condition, but that 36 of the 39 properties surveyed were unfit for human habitation. Of the 23 full internal surveys carried out, 22 of the properties were found to have conditions prejudicial to health and a cause of public nuisance. That was due to a wide range of design issues, disrepair and dampness, creating hazards or conditions prejudicial to health. However, the surveyors noted that, with moderate investment, the properties could provide good-quality housing for many years to come.

I am pleased to know that Mansfield district council has responded robustly to the report. Between January 1994 and June 1997, the council served 30 notices requiring specific repairs to be carried out to make properties fit. Of those notices, 29 were related to properties owned by one landlord.

However, since the publication of the "Stop the Rot" report, Mansfield district council has stepped up its activity and introduced a policy of inspecting six properties each week at Warsop Vale alone. In the past month, it has inspected 19 properties and served eight "minded to" notices, showing its intention to pursue enforcement action. The council is prepared to fund the costs of the repairs and reclaim them from the landlord through the legal system, and informs my officials that it is confident that it can complete the works within the next two financial years. We are keen that it should continue to pursue this vigorous action to tackle the problems.

The problem of empty properties was also raised. I should say straight away that the Government are determined to bring empty properties that are needlessly neglected back into use by promoting good practice by local authorities and tackling underfunding through the phased release of local authority capital receipts. Local authorities have a key role to play in bringing privately owned empty properties back into effective use in their areas. They are best placed to know where those properties are and who owns them.

Local authorities can deploy a wide range of approaches to get empty properties back into use—from advice to landlords who are simply unaware of procedures and the terms under which they might let, to grants or fitness enforcement procedures, to which I have referred. Solutions may require a corporate approach by local authorities, working in partnership with housing associations, private owners, property professionals and other public and voluntary bodies.

I welcome the fact that local authorities in the east midlands region, with the encouragement of the government office, recently set up an empty homes forum to tackle vacancy rates in the region. I hope that it will provide a sharper focus for tackling the particular problems to which my hon. Friend the Member for Bassetlaw referred.

Another approach to the problems of the properties in Warsop Vale might be for a housing association to buy them from the landlord by agreement, provided that the landlord is prepared to sell at a reasonable price. My hon. Friend suggested that the Housing Corporation has a surplus—I think £3 million was quoted—which could be used for that purpose. That is not correct. The east midlands and eastern regions of the Housing Corporation have between them a reserve, not a surplus, of £3.5 million, but it has been allocated for needs-related expenditure and will be allocated during the year to a number of projects for housing investment. In any event, my understanding is that the landlord is unlikely to be willing to sell on reasonable terms.

[Mr. Nick Raynsford]

That brings us to the issue of compulsory purchase. Local authorities have powers to acquire houses and land, either by agreement or by compulsion, for a variety of reasons. Those include the subsequent transfer of the property to a third party, such as a housing association that intends to provide housing accommodation on that land. In theory, that would enable the council to acquire the buildings and set in motion procedures for their improvement.

Let us not forget in this consideration of a particularly hard case that compulsory purchase is a draconian power, and should be used only as a last resort. Moreover, it is not always the most cost-effective means of solving a problem. It must be for the local authority to decide the most appropriate way of tackling the problem. We do not propose to dictate to local authorities; it is for them to decide the most appropriate solution. However, where other options fail, where properties are left needlessly empty and local authorities believe that compulsory purchase is appropriate, the Government will not stand in the way.

My hon. Friend discussed the issue of valuation and suggested that site value might be a more appropriate basis on which to base compensation. I should explain that the Land Compensation Act 1961 provides that owners of land expropriated by compulsion should receive its open-market value—the amount that the owner would have received had the transaction occurred between a willing seller and a willing buyer in an open market. That is a fair basis for compensation, and it is used worldwide.

It would be wrong to expropriate property without any compensation—compulsory purchase order procedures do not provide for that—but we should bear it in mind that, in the instances that we have been considering, open-market values could be very low indeed, possibly even lower than the site value, where the property is derelict and where costs are associated with clearing the property if it cannot be used. It is not necessarily an advantage to value properties for compulsory purchase on a site valuation basis. The open-market valuation for derelict properties may be very low indeed.

The problem with many of the options that I have described is the resources available to local authorities to be able to carry out necessary works. We recognise that, under the previous Government, resources provided for housing were cut savagely year on year. The Government are committed to redressing the chronic under-investment in housing. That is why, immediately after the election, we made a capital receipts initiative one of our priority actions. Under the initiative, we are providing local authorities in England with an extra £174 million this year and an extra £610 million next year.

These resources will be directed at housing and associated regeneration needs, and will be available for both public and private sector housing. I should stress, however, that in the first instance it will be for individual authorities to determine where the local needs and priorities lie and to direct resources accordingly. We do not propose to impose a rigid central diktat on the application of the resources, but we expect authorities to apply them efficiently, economically and effectively. We have consulted on this matter.

A consultation paper has been issued. We will listen to the responses. If local authorities in the areas that we have considered this morning believe that it would be appropriate for those resources to be used to help to bring back into use properties that are neglected and to raise the standards of derelict and sub-standard properties, it is my view that that would be an appropriate use of the capital receipts released.

A number of my hon. Friends spoke in the debate. I do not have time to refer in detail to all the comments. My hon. Friend the Member for Bolsover (Mr. Skinner) highlighted problems relating to Pleasley and Creswell, in his area. Those are similar to the problems of which we heard from my hon. Friend the Member for Bassetlaw.

We shall take a detailed look at the problems raised by my hon. Friend the Member for Bolsover, relating to weaknesses in the current procedures under which local authorities wishing to enforce the law are frustrated by delays caused by landlords. As part of our review of the fitness standard and the enforcement procedures, we will consider the points raised by my hon. Friend.

My hon. Friend the Member for Rother Valley (Mr. Barron) highlighted problems in properties on estates in Aston, Kiveton Park and Maltby that were sold by auction and acquired by owners with addresses as far away as Wimbledon and even Baghdad. He revealed a deplorable catalogue of neglect and dereliction. We are keen to see action in his area, as elsewhere, along the lines that I have outlined.

Mr. Deputy Speaker (Mr. Michael Lord): Order. We must move to the next debate.

Manchester Airport (Second Runway)

12.30 pm

Mr. Martin Bell (Tatton): I am grateful for the opportunity to talk about an issue that is very important to many of my constituents. I promise to be brief, both because I believe in brevity and to allow other hon. Members—including some with a long involvement in the issue—to have their say.

This is not a routine debate and its subject is not a routine issue. I represent many dismayed people who feel that their land and their homes are being taken from them against their will without sufficient reason. The hour is late; the official inquiry went against them and the heavy equipment will be moving on to the site any day now to begin the work of construction and, it must be said, destruction.

We are the small platoons up against the big battalions. Only one statutory body is left standing in the field and fighting in the last ditch: Mobberley parish council. The council has gone to the European Commission with a complaint that deserves—and, indeed, is receiving—a hearing: that the funding of Manchester airport with public money infringes the treaty of Rome by distorting competition within the European Community. Government money is luring airlines to Manchester that would not otherwise fly there.

Mr. Graham Stringer (Manchester, Blackley): Does the hon. Gentleman accept that, although Manchester airport is in the public sector, no public subsidy has been provided by the town authorities that own it? They have lent the airport money borrowed from the public works loan board—which could have been borrowed from any other source on commercial grounds. The parish council's case is that a subsidy has been provided, but it has not.

Mr. Bell: The European Commission is now reviewing the position and will make a decision.

In its complaint, the parish council cites an agreement between Manchester airport and Continental Airlines to offer slots for five years in return for landing fees at less than the market rate and a roughly similar agreement with American Airlines. There is a pattern of development that is promoting Manchester as the Heathrow of the north. While that may seem a laudable municipal ambition, it carries certain consequences, one of which is Manchester's probable expansion at the expense of other airports. Another is that 1,000 acres of Cheshire countryside will be sacrificed. That is not the march of progress; it is the march of conflict.

A further consequence is that the travelling public—who could travel more conveniently, especially on charter flights from other regional airports such as Liverpool and Leeds-Bradford—will take the long journey to Manchester, putting a further strain on a road system that is already close to gridlock for much of the time.

The figure of 50,000 new jobs was originally conjured out of a hat. On cross-examination, that figure fell to about 8,000. Many of those jobs would be created by the continuing expansion of the airport within its existing boundaries and the concentration of traffic in Manchester will clearly be to the disadvantage of Liverpool. The planners talk of disbenefit to Liverpool. That means damage and the possible loss of jobs.

Mr. Stringer: Does the hon. Gentleman accept that the growth of Manchester airport that was projected at the planning inquiry—it was forecast that 30,000 people would use it in 2005—will create more jobs in Liverpool and the Merseyside area than any proposed immediate expansion of Liverpool airport?

Mr. Bell: I am coming on to the projections of passenger growth—and I think that the hon. Gentleman means 30 million people, not 30,000.

Refusing permission for the expansion of Liverpool airport, the Deputy Prime Minister said that this was by no means the end of the story. He added that he intended to take a close look at the role of regional airports in contributing to regional development—but the time to do that, surely, is before the Bollin valley has been concreted over, not after.

Much of the debate—this will be familiar to the House—depends on forecasts of future traffic. The figures in those forecasts have not been rising so fast lately. A more plausible figure for the year 2005 at Manchester airport is 20 million. Today Gatwick airport handles more than 20 million passengers a year on one runway, and it expects to be able to handle 35 million on one runway by 2012. Gatwick is a model example of what can be done with one runway. If Gatwick can do it, why cannot Manchester?

The argument is not about process and procedure, although we may well wonder about the fairness of a system that allows one side to outspend the other in the planning period by a factor of more than 10 to one. The argument is about the best way in which we should now proceed. The inspector accepted that the second runway was an inappropriate development of green-belt land and would be harmful to it and that such development could be approved only in exceptional circumstances, which he set out.

I submit that we now have a new special circumstance: the election of a new Government who are committed to an integrated transport policy. The Deputy Prime Minister emphasised that again on Monday, when he said:

> "Integration is a serious matter—not a buzz word. It is about how we can use existing capacity better than we do at present. It is about putting things together so that the whole is better than the sum of the parts".

The second runway at Manchester has nothing to do with an integrated transport policy. I argue that it has more to do with a disintegrated transport policy. Manchester may well prosper at the expense of other airports. Its development was not considered with that of Liverpool, or that of the region's road and rail system; it was considered separately. If we are to have an integrated transport policy, let us have one, and let us consider—even at this late stage—whether the loss of the Cheshire countryside is in any way justifiable.

The Minister may consider that hands are tied by the last Government's decision and the result of the public inquiry, but there is the option of switching charter flights, above a certain limit, from Manchester to other regional airports, particularly Liverpool. That would relieve congestion at Manchester during the rush hours and help the development of other airports. Exactly that kind of action was taken in the early 1980s, when charter flights were redirected from Heathrow to Gatwick, and it started the regeneration of Gatwick. If such action could be taken then in the south of England, it can be taken now in the north.

[Mr. Bell]

Even in the present circumstances, the suggestion that Manchester's traffic growth exceeds its capacity is hard to square with common observation. I have received a letter from one of my constituents, a British Airways captain who flies out of Manchester and sees it more closely than most people, who states:

"My daily experience of airport operations makes it abundantly clear that the airport's existing runway is under-utilised. For extended periods, there are few, if any, aircraft movements."

The case for a second runway is not convincing. Those who walk the local fields and footpaths, as I did last weekend, between fences of a size and complexity that I have not seen since the end of the cold war, will wonder how convincing that case can be. In fact, there is no sufficient case, but there is every case for a pause and a review of airport and road and rail policies. Those policies hang together, or they fail together.

It would be useful at this point to pre-empt and answer the charge of NIMBYism. That unappealing acronym now has a different meaning: "not in Manchester's back yard". This is not a case against Manchester; it is a case for Manchester. Manchester must breathe, and the Cheshire green belt is one of its lungs. The development of the second runway will damage its lungs, and that damage cannot be made good.

Let us also counter the arguments that can and will be advanced about the necessary action of mitigation and damage limitation. Bats and badgers will be rehoused, hedges will be planted and ancient woodland will be replanted. We are promised the greatest migration of forestry since Birnam wood came to Dunsinane. This is about people, however. It is also about woodlands: ancient woodlands cannot be transplanted, but they can be destroyed.

The victims, however, will be people, such as those whose homes will be taken from them. There are two people observing this debate whose 17th-century farmhouse with its landscaped garden will go under the end of the runway. People have security guards living in their outbuildings, but no compensation has yet been agreed. The victims will be the people whose farms, footpaths and fields will be taken from them and the people who live beyond the perimeter of the new runway and who are unable to sell their homes, so they are, in effect, prisoners of their own property. Altogether a quarter of a million people will be affected by the noise and the extra risk factor associated with the second runway.

Those figures are not small. Behind these large issues lies the even larger issue of what kind of people we are. Are we the kind of people who will promote one airport at the expense of others? Are we the kind of people who will concrete over our inheritance? Or are we the kind of people who will pause to think, even at this late hour, and save what needs to be saved?

I have seen too much destruction in my previous life to condone it in this one. I have seen too much indifference to be indifferent now. I believe that we should pause, reflect and start anew.

12.40 pm

Mr. Paul Goggins (Wythenshawe and Sale, East): I am grateful for the opportunity to speak in this brief debate, and I thank the hon. Member for Tatton (Mr. Bell) for his approach to it and for allowing time for other hon. Members to contribute. I congratulate him on the result on 1 May. Although we disagree on this issue, I acknowledge that he represents his constituents with honesty and integrity.

Half of runway two will be in my constituency, in addition to the two terminals and the 280 businesses that currently constitute the commercial community of Manchester international airport. The hon. Member for Tatton expressed his view and the views of a number of his constituents, but there is another view on runway two, which was endorsed by the inspector after a public inquiry that lasted more than 100 days and took evidence from 180 witnesses. That view is backed by the whole of the region's business community and, according to a recent MORI opinion poll, supported by 80 per cent. of local residents. I also support the view that the decision to go ahead with runway two is the most important strategic decision that has been made in the north-west region for decades, and that the extra capacity that will flow from that decision will unlock the region's economic potential and make the north-west a focal point in the global economy.

I must dispute some of the figures that the hon. Member for Tatton gave. The current and projected rate of growth in air passenger travel will result in 30 million passengers passing through Manchester airport by 2005, not 20 million as he stated. That is double the current rate. With those additional passengers will come 15,000 new airport jobs and as many as 35,000 further jobs elsewhere in the region. Those figures were not plucked out of a hat, as the hon. Gentleman said, but are well researched and well founded projections.

Some 2,000 of my constituents who live barely a mile from Manchester airport are out of work. Some of the young people in Wythenshawe, whom I represent, are third generation unemployed. They have given up hope of ever finding a job. The hon. Gentleman described the people of Tatton as concerned and dismayed. I ask them to put themselves in the place of those unemployed people and to imagine what it is like. Runway two may be their only chance of ever finding employment.

The least well known aspect of the £172 million investment, of which runway two is a part, is the environmental mitigation package, which the hon. Gentleman acknowledged. The eco-warriors labelled it as window dressing, but it will mean more ponds, new hedgerows and new grasslands and woodlands. Manchester airport has a 15-year management plan, so those 850 acres of countryside will be protected.

No one wants unwarranted destruction of the environment, but sustainable development requires social cohesion and economic progress as well as environmental protection. I believe that the plans for runway two have all three elements.

12.44 pm

Mr. Graham Stringer (Manchester, Blackley): I welcome this opportunity to put arguments in favour of the second runway and the development of Manchester airport, in addition to those put by my hon. Friend the Member for Wythenshawe and Sale, East (Mr. Goggins).

The essence of the case made by the hon. Member for Tatton (Mr. Bell) was that the extra traffic could be diverted to Liverpool airport and that the people of Merseyside would welcome that. He misunderstands European law and the freedom of airlines to travel where they want. Neither United Kingdom nor European law provides a power to tell airlines to land at Liverpool when they want to land at Manchester. If there were such a law, I hope that the hon. Member for Tatton would oppose it. Why should people who want to fly from Manchester have to go to Liverpool or anywhere else?

Airlines use airports because of the facilities that they offer. They can benefit from being able to transfer passengers to other airlines. In cities around the world, such as Glasgow, Toronto and Washington, attempts to run two airports separately have failed, and they have had to be amalgamated.

It was often said during the inquiry that Liverpool airport could be used instead of a second runway. If passengers were changing planes, even if a new route were built, would they want to arrive at Manchester and then take the train to Liverpool? I suspect that they would not welcome that.

I wish Liverpool well. I welcome the Deputy Prime Minister's statement on Monday that Liverpool and Manchester airports should work together for the benefit of the whole region, but it should not be done by some dictatorial distribution of traffic, which I believe would be unlawful.

The opponents of the second runway often use contradictory arguments. I am afraid that the hon. Member for Tatton falls into the category of people who say that demand is insufficient to justify the expansion of the airport. Other people argue that demand will grow too much, that the airport is not used efficiently enough, or that it is too efficient.

It has been argued that Gatwick can manage 35 million passengers on one runway. The aircraft that use Gatwick are larger. Jumbo jets use Gatwick in a way and in a mix that is not possible at Manchester. If Manchester could accommodate as many large aircraft, it could manage with one runway. Flights from Manchester are mainly short-haul to other parts of Europe and the United Kingdom, so jumbo jets do not fly from Manchester to Schiphol or Glasgow. Smaller aircraft require a greater number of movements and have fewer passengers.

An opinion poll carried out four years ago in every constituency in the north-west of England, including Tatton, showed majority support for the second runway because of the benefit for jobs. An opinion poll carried out in January showed majority support in every constituency except Tatton, where there was a small majority against it. People in the north-west know that the second runway would produce more jobs than any other investment in the whole of the north of England.

12.48 pm

Mr. Robert Sheldon (Ashton-under-Lyne): I have only 60 seconds. I listened carefully to the speech of my hon. Friend the Member for Tatton (Mr. Bell). I call him my hon. Friend because he should have hon. Friends on both sides of the House, given the way in which he entered Parliament. He is ably looking after his constituents, and I understand that well. My home, where I have lived nearly all my life, is probably nearer to Manchester airport than the homes of many of my hon. Friend's constituents. I understand the problems, but it is important to have an international airport north of London, and Manchester has such an airport. It is the only such airport outside the south of England, and it is more important to the whole of the north of England and even to Scotland than some of the others that have been mentioned, which are feeder links to London. However, Manchester airport stands on its own. To reverse the move to the south, Manchester should have its second runway.

12.50 pm

The Parliamentary Under-Secretary of State for Transport (Ms Glenda Jackson): I congratulate the hon. Member for Tatton (Mr. Bell) on raising an issue that is important not only for his constituents but for all those who live and work in the north-west. I thank him for his generosity in allowing time for contributions by my hon. Friends the Members for Wythenshawe and Sale, East (Mr. Goggins) and for Manchester, Blackley (Mr. Stringer) and by my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon). They underlined my point that the issue is of great importance to the whole of the north-west.

Manchester airport is already the 18th busiest in the world, and handles more international passengers than Chicago's O'Hare airport. The proposal to build a second runway inevitably involved a wide range of aviation, economic, environmental and other issues and it became one of the biggest planning issues of the past decade. The Secretary of State at the time decided to call in the proposal because of its regional and national importance. A nine-month public inquiry was held from June 1994 to March 1995, at which parties that supported and those who opposed the runway gave evidence. Some 15,000 written representations were also taken into account. The inspector reported in August 1996 and recommended that planning permission should be granted. The then Secretary of State announced the granting of such permission in January this year.

Since the decision, opposition to the new runway has continued, and the Government have received numerous requests to revoke or review the decision. We have taken those requests seriously and examined the issues carefully. As a Cheshire girl, I would never have considered accusing the hon. Member for Tatton or any of his constituents of NIMBYism. We have concluded that it would be wrong to reopen the decision.

I am grateful for this opportunity to comment on some of the issues that were raised by the planning application, but I shall first give a brief outline of the policy background. We are committed to bringing together transport and environmental decision-making. My right hon. Friend the Secretary of State announced in the House on 5 June that we had launched a fundamental review of transport policy to provide an integrated transport system that meets the environmental and transport needs of all regions for today and the future. The review will look at short and long-term actions that are necessary to deliver an integrated transport system, and we aim to publish a White Paper in the spring. Its publication will mark the initial analytical goal setting and consultation phase in the development of that policy.

[Ms Glenda Jackson]

The hon. Member for Tatton spoke about possible investigation by the European Commission. There is no official investigation by the Commission. The current position is that it has asked the United Kingdom for comments on a dossier of papers that was provided to it. My Department is considering the dossier and will reply shortly. It will then be for the Commission to decide whether to take the matter further.

The accusation of state subsidy to British Airways relates to new facilities that are currently being constructed in terminal 1. The airport company agreed with BA and the other users of terminal 1 to redevelop the terminal following the opening of the first phase of the new terminal 2. The planning of that redevelopment has concentrated on increasing capacity, providing better facilities for passengers transferring between domestic and international flights and increasing the amount of retail space.

The first element of the redevelopment was a hub facility for Lufthansa and its partners. It opened last summer. Elements of the retail development are opening this summer. The final element is a new pier and associated facilities attached to the domestic part of the terminal which, in combination, will enable British Airways to combine its domestic and international operations in one part of the terminal. British Airways will not have exclusive use of those facilities. The airport company's arrangements with BA are consistent with the principles of the arrangements with other airlines for customisation of airport facilities. Airport charges will remain the same for BA as for all other users of the airport, as was explained to the Monopolies and Mergers Commission as part of the economics of the airport's charges.

Manchester airport has experienced sustained long-term growth in demand. It has retained its position as the UK's third busiest airport and has increased its market share over the years from 8 per cent. of all UK airport traffic in 1983 to 11 per cent. in 1993. It expects demand to grow from 12.9 million passengers in 1993 to 29.4 million in 2005, if the second runway goes ahead.

Even if the airport were restricted to one runway, demand is still expected to grow to 22.8 million passengers by 2005. However, the constraint of having only one runway would mean that there would be more pressure to find slots in off-peak times and more inconvenience to passengers. The inquiry discussed whether there could be other ways to meet the demand and decided that there was no other clear solution. The inspector recommended that there was no guarantee that demand could be diverted from Manchester airport, if it were restricted to one runway, to other northern airports.

The hon. Member for Tatton spoke about the issue that was raised by some objectors—the possibility of expanding Liverpool airport as an alternative to building a second runway at Manchester. A separate planning inquiry was held into proposals to expand Liverpool airport, as each of the Manchester and Liverpool proposals raised its own aviation, economic and environmental issues. My right hon. Friend the Secretary of State for the Environment, Transport and the Regions recently announced that planning permission had been refused for the proposed expansion of Liverpool airport.

There is nothing that I can add to that decision other than to reiterate that those proposals would have caused more environmental harm than was justified by the need. We hope that Manchester and Liverpool airports will develop in a co-operative and complementary way. That is clearly a matter for the Manchester airport management to discuss with Liverpool airport's new owners.

The hon. Member for Tatton referred to the destruction that he has seen, and said that the central issue of the debate relates to people. As my hon. Friend the Member for Wythenshawe and Sale, East said, we have seen the destruction not only of the environment but of people brought about by economic decay. That is why the runway is so important to the whole of the north-west. The airport management has calculated that its planned expansion will lead to the creation of an extra 50,000 jobs by 2005, either directly or indirectly, compared with 1993. Some 18,000 of those jobs will be attributable to the second runway rather than to some other aspect of airport expansion. We are aware that objectors have queried those forecasts, and we do not necessarily subscribe to any one set of forecasts, but we agree with the inspector's conclusion that the only real dispute is over the scale of the impact.

We are confident that the growth of Manchester airport can be achieved in line with the principles of sustainable development. The public inquiry concluded that airport expansion should not lead to extra urbanisation as there should be sufficient capacity in the conurbation to accommodate the new jobs and the extra work force. We are pleased to see that the airport authorities have entered into a commitment to increase the proportion of passengers using public transport, hopefully to 25 per cent. We have given a grant to the airport for a new rail siding so that construction material can be brought to the site without disturbing the local community.

The second runway is in the green belt and is not the sort of development that would normally be appreciated in such a belt. I have two comments about that. First, national green belt policy allows exceptions in special circumstances and the previous Secretary of State considered that the need for the runway and the economic benefit that it would bring constituted special circumstances in this case. Secondly, the decision does not represent a general relaxation of green belt policy.

The benefits that the second runway will bring to the north-west must be weighed against local environmental impacts—the hon. Member for Tatton made several points on the issue—principally on the local ecology and landscape. A development of this type and scale will inevitably have some impact on the area, and that should be taken into account in any planning decision.

The airport management has drawn up an impressive environmental mitigation package that won the endorsement of English Nature, the statutory advisers on ecological issues, and that persuaded Cheshire county council to drop its objections to the planning application.

The package includes the replacement of ponds and hedgerows and improved management of the ponds and hedgerows that will remain in place—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I hope that hon. Members will have noted the difficulty in half-hour Adjournment debates secured by one Member: interventions may prevent a full reply from the Minister.

Measles Vaccines

1 pm

Mr. Llew Smith (Blaenau Gwent): Jonathan Swift once said:

"Falsehood flies, and Truth comes limping after it; so that when Men come to be undeceived, it is too late, the Jest is over, and the Tale has had its Effect".

How true that was and will be, as evidence is increasingly uncovered highlighting the potential implications of the rising incidence of autism and Crohn's disease in children, and the uptake of the mumps, measles and rubella and the measles and rubella vaccines. Indeed, the evidence shows that it is the cocktail of vaccinations that is likely to be the cause of the unexpected problem.

In the past two years, I have tabled dozens of questions and was granted an Adjournment debate on problems relating to measles and rubella vaccinations—problems ranging from lack of adequate information to parents and the possible side effects of the vaccinations to the damage itself. Over that period, I have become increasingly critical of the procedures and the side effects on some children from those vaccinations, but even my cynicism was stretched to breaking point when I read that in the latter part of the 1950s in the United States, and in the United Kingdom in the early 1960s, Down's syndrome children were used as guinea pigs in tests involving live measles vaccines. At that time, those living in the institutions concerned were described as "sub-normal".

Those tests were recently brought to the public's attention as a result of an article in *The Sunday Telegraph* by Victoria Macdonald, highlighting much of the research by solicitor Richard Barr and consultant Dr. Andrew Wakefield. In the past couple of weeks, articles in the *Irish Independent* also raised the issue. Their author, Brian McDonald, reported:

"Children, some of whom were either mentally or physically handicapped, were used in drug trials carried out in Irish orphanages over twenty years ago."

Some people, while deploring what happened in the 1950s and 1960s, may attempt to justify it on the basis that at that time we knew no better, but that is not a satisfactory explanation. For instance, Dr. Richard Nicholson, editor of the *Bulletin of Medical Ethics*, stated:

"People try to say that you cannot apply the same ethical standards today as you could in 1960. You have to do the research with the proper safeguards in place and the safeguards were there in 1960, but it was largely ignored by the doctors."

Dr. Wakefield of the Royal Free hospital stated:

"this is both a practical and ethical issue. You cannot extrapolate from brain damaged children to normal infants."

The response by Jackie Fletcher, who set up the national organisation JABS—Justice Awareness and Basic Support—when her child was severely brain-damaged after one of these vaccinations, said:

"The more I go into this, the more horrific it becomes".

We should be horrified, because, as Victoria Macdonald stated in her article:

"babies and young children with Down's Syndrome were used as guinea pigs by British doctors in 1960 to test an experimental vaccine for measles . . . children who were living in institutions for the 'severely subnormal' (as they were then described) were

[Mr. Llew Smith]

subjected to the experiments because the doctor said it was 'useful' having them in hospital where they could watch over them for adverse reactions."

She went on to state:

"one of the children died seven days after being vaccinated from a common side effect of measles, but the doctors described it as coincidental in their reports."

From an ethical point of view, tests such as those carried out in the UK in 1960 on Down's syndrome children—some of the most vulnerable people in our community—should never have taken place, because those children did not have the ability to say no. Because of their mental condition, they were passive recipients of the tests or anything else one wished to inflict on them. If we are to be worthy of the description "civilised", we can never condone those acts; otherwise, we debase our humanity. We hear of other instances, where people with severe learning difficulties have been taken advantage of; we have rightly condemned those acts and must continue to condemn them, but we must also ensure that we learn from our mistakes.

On the practical side, Dr. Wakefield argues that there are several factors which make that population

"entirely inappropriate for studies designed to detect adverse neurological events to measles vaccine."

He states:

"The susceptibility of the damaged brain to acute and delayed adverse events to measles or measles vaccine is unknown, although this may be altered when compared with the normal brain."

It was inappropriate and potentially hazardous, therefore, to extrapolate from that series of studies that the vaccines would be safe for the general population. The period of observation was limited to three weeks maximum in any one study, which is far too short a time either to detect or to exclude all adverse effects on the central nervous system.

The question we have to ask is what lessons have we have learnt from the mistakes of the early trials. The inadequacy of the three-week safety trials, particularly in relation to children with Crohn's disease, is highlighted by Dr. Wakefield, who states that there may be a diagnostic delay of up to two years. Indeed, he goes on to say that there

"have been no prospective studies of measles vaccine safety beyond the initial 3-4 weeks follow up period . . . Beyond this time, safety was assumed. It is notable that trial cohorts from 1964 continue to be monitored for vaccine efficacy 31 years later. It is also notable that in 1995 it was possible to use the same trial cohort to examine a possible link between measles vaccines and inflammatory bowel disease."

Those points were also made by Thompson writing in *The Lancet* in 1995.

Mr. Don Touhig (Islwyn): As my hon. Friend knows, I have some knowledge of the problem of Crohn's disease, as my eldest daughter has been a sufferer for the past 10 or 11 years. Will my hon. Friend comment on the case of David Lawrence, a young constituent of mine who had a measles vaccination in 1994 and became very ill with a serious virus about 10 days later? Over the past two years, he has gone from being a healthy, fit young lad to a weak and sickly young lad. Three weeks ago, he was diagnosed as having Crohn's disease. His family are convinced that all his medical problems stem from that vaccination.

Mr. Smith: Solicitors and consultants involved with this work have received hundreds of similar complaints about children who have ended up with either Crohn's disease or autism. What saddens me is the response of the medical profession, which more often than not implies that there is no relationship between the vaccination and autism or Crohn's disease. People in the profession often say, "These are merely scare stories," but the example that my hon. Friend has given is repeated in my constituency. Within an hour of the measles vaccination, a young girl became seriously ill, and a couple of years later she is having treatment for autism and Crohn's disease. There are not just one or two cases: there are hundreds of cases.

Vaccine experts state:

"standard dose 'further attenuated' measles vaccines are among the safest vaccines in use today".

Although the implication of that statement is that live measles vaccines are safe, it is of course relative and meaningless if safety trials of other vaccines were as inadequate as those conducted on measles vaccines.

No one denies the benefits of vaccinations, but what about the risks? Vaccines should be safe. The children are not ill; they do not have any disease when they are vaccinated. Vaccines are given as a preventive measure. The only acceptable side effects of a vaccine are those which produce no long-term damage. More than 800 families have now contacted solicitors or support groups in the belief that their children have been seriously damaged by vaccines in the same way as the child referred to by my hon. Friend.

It is worth noting that Crohn's disease among children was unheard of 15 to 20 years ago. What safeguards were in place to monitor the risks of two-dose vaccine schedules, which had been highlighted as of particular concern to international measles virus experts in the early 1990s? There was none—safety was assumed on the basis that certain Scandinavian countries, such as Sweden, had been administering two doses of measles vaccine for some years. But had Sweden or any other Scandinavian country ever conducted any safety trials of two-dose measles or measles, mumps and rubella vaccines? No, they had not.

We cannot make assumptions about the safety of the administration of, or exposure to, live biological agents. How many times in recent years have we been reminded of that fact, whether it be in relation to the Gulf war, BSE or E. coli? The chief medical officer, Sir Kenneth Calman, claimed in the *Daily Telegraph* on 5 December 1996 that Britons were dangerously blasé about disease. Unfortunately, the assumptions made by his Department about the safety of a second dose of measles vaccine show that the Department was equally blasé.

The Department of Health claimed that the procedure was safe because it had been given to millions of children world wide. That is not a qualification of safety. Thalidomide was given to thousands of women, but that did not make it safe. Dr. David Salisbury, principal medical officer for vaccines, had ample warning of potential problems as early as 1992. Indeed, these points have been made on many occasions to officials at the Department of Health. Unfortunately, I suspect that those who were advising the previous Government are now advising the Labour Government.

We should contrast the Government's policy on reviewing the possible negative health effects of the MMR vaccination campaign on some children with the rapid way in which Ministers have rightly intervened to support the alleged victims of Gulf war syndrome.

The previous Government tried to deny and then to avoid all responsibility for Gulf war syndrome. Yet when it comes to initiating a widespread review or reassessment of the MMR-MR vaccination campaign, Labour Ministers are sticking to the same policy reassurances as their Conservative predecessors. For example, in 1995 Tom Sackville, the then Conservative Minister, said in a written answer to me:

"There is already a well-established satisfactory system in place for monitoring adverse reactions to all medicines, including vaccines.—[*Official Report*, 6 November 1996; Vol. 265, c. *610*.]

More recently—on 22 May—in a written question I asked the Secretary of State for Health whether he would

"establish a review of *(a)* the effectiveness of and *(b)* side effects arising from the most recent national MMR vaccination campaign."

The Minister for Public Health replied:

"The effectiveness of, and side effects arising from, the 1994 measles/rubella (MR) school-based immunisation campaign have been carefully reviewed . . . The campaign was very successful."—[*Official Report*, 22 May 1997; Vol. 294, c. *174*.]

Essentially, her reply was the same as that given by the Conservative Minister.

I want to restate the need for an independent commission to study the possible links between MMR and MR and Crohn's disease and autism in children. I have been advised that work done in America by Dr. Hugh Fudenberg and Dr. Gupta, and in the United Kingdom by Paul Shattock of the University of Sunderland, demonstrates the link between vaccine damage and autism. I urge my hon. Friend the Minister to investigate that further.

What concerns me and others is Government inactivity over more than 300 cases in which parents claim that their children have been injured by one or other of the vaccines. In particular, there seems to be an extraordinarily high incidence of autism among the children concerned and a surprising number of cases of what appears to be Crohn's disease.

Autism has been dismissed as a side effect by Elizabeth Miller of the Public Health Laboratory in a memorandum to health professionals. She argues that it is simply a coincidence because most autism is diagnosed at about 18 to 30 months, which happens to coincide with the time of vaccination. What Dr. Miller does not explain in that rather simple answer is why the vaccinated children develop other symptoms at the same time as becoming autistic. Many of them develop a raging thirst; many acquire bizarre eating habits; sleep patterns are disrupted and children lose their temperature control. A characteristic common to many of the late-onset autism cases is that speech which had been previously acquired is lost. In other words, the children do not simply fail to develop—they lose what they already had.

That all tends to point to an encephalitic event, and even the Government's chief medical officer concedes that there is a possibility that the vaccine causes autism. In a memorandum to directors of public health on 7 February, he states:

"It is therefore unlikely that MMR vaccine plays a part in the development of autism in children who do not have significant neurological manifestations after immunisation."

The inference is that he concedes that the MMR vaccine does play a part if there is a significant neurological manifestation.

Crohn's disease and autism are not the only side effects reported in respect of the MMR vaccine. My attention has been brought to 122 cases in which epilepsy developed after vaccination, and numerous other cases of problems with the immune system.

Finally, nothing can be done about the decision to use Down's syndrome children as guinea pigs for live measles vaccinations in 1960. We now know that the vaccines were not innocuous. We need to be rigorous in the design of safety standards. We need an independent investigation into the links between MMR and MR and Crohn's disease and autism in children. Until then, we should consider suspending the multi-dose MMR vaccines in favour of single-dose vaccines. We should also suspend the revaccination programmes because no safety trials have been conducted on them.

1.17 pm

The Minister for Public Health (Ms Tessa Jowell): I thank my hon. Friend the Member for Blaenau Gwent (Mr. Smith) for raising this important issue. I pay tribute to his relentless pursuit of information and inquiry.

I was very concerned when I heard about the use of the measles vaccine on children in residential care in the United Kingdom in 1961—the issue that has prompted this debate. I have uncovered as much of the story as possible and will set out the facts available to me. It is important that hon. Members should recall the context and the extent and seriousness of measles at the time.

In the 1950s, measles in the UK had settled into a cycle of large epidemics every other year. The annual notifications ranged from a minimum of 150,000 to a maximum of 700,000 cases, with up to 300 deaths a year. Measles was a killer both in this country and around the world. Against that background of serious disease, work was progressing internationally to produce safe and effective vaccines. During the 1950s, candidate vaccines had been developed and by 1960 many had already undergone clinical trials in the United States. The results of those trials were reviewed and evaluated in the *New England Journal of Medicine* on 28 July 1960.

Mr. Llew Smith: Does my hon. Friend accept that the trials conducted in the United States involved about 170 to 180 children, the vast majority of whom would have been regarded at that time as mentally sub-normal? I know that that is an awful phrase, but it was the one used at that time.

Ms Jowell: I should be very happy to supply to my hon. Friend all the information available to me on those studies. I should be happy also to supply him, for his information, with the material that has been provided to me for this debate.

Based on encouraging results from the tests, the authors provided suggestions for future study and subsequent use of measles vaccine. Based on their safety and efficacy data, the authors concluded:

"At this time it seems appropriate to recommend the extension of clinical trials of attenuated measles vaccine in special groups."

A "special group" means one in which measles causes high levels of serious illness and death.

[Ms Jowell]

I have made a point of starting my reply to this debate with information about the 1960 published review, because it predates the first United Kingdom trial of measles vaccine. The authors of the 1961 UK study referred to the 1960 review in their research. The UK study was built on the US work, and based on the recommendation that special high-risk groups be examined.

Some children have long been known to be at higher risk of suffering severe consequences of measles. Those groups include children with conditions such as Down's syndrome, cerebral palsy, cystic fibrosis and malnutrition. Children with Down's syndrome, such as those in the study, have congenital heart disease, which means that they are much more likely than other children to die or suffer serious injury from measles.

Children in residential care are also a high-risk group. Not only do those children often have underlying medical problems, but measles spreads very rapidly in closed communities. It has been estimated that the introduction of measles into residential units was associated with 70 per cent. to 90 per cent. of attack rates in susceptible children. It is worth nothing that, in May 1968, when measles vaccine was eventually offered to all children, the then Chief Medical Officer wrote to all doctors stating that those who should receive vaccine first, despite anticipated shortages of vaccine, should include

"susceptible children living in residential establishments aged between 1 and 7."

Prior to the 1961 study, therefore, the researchers were in the following position: first, they knew that an outbreak of measles was coming; secondly, they knew that children with disabilities such has Down's syndrome were at particularly high risk from measles; thirdly, they knew that the US studies had shown the vaccine to be sufficiently safe and effective to recommend that it be given to special high-risk groups; fourthly, they had an opportunity to give the vaccine to such a high-risk group.

More importantly—I believe that this point has not yet been raised in the debate—the researchers then approached the parents of those children. As reported in *Hansard* on 4 December 1961 at columns 925-26, the children's parents had been asked and gave their consent to the trial in writing. The study went ahead, with immunisation occurring in January and February 1961.

In 1961, the largest recorded measles epidemic in the United Kingdom occurred, in which 764,000 cases were notified. Of those, 152 deaths were reported. Of those deaths, 132 occurred in the first six months of 1961. Of those 132 deaths, 66 deaths—exactly half—were among people with chronic disease or disability. If we examine those 66 deaths more closely, we discover that more than half those people either had Down's syndrome—accounting for 20 deaths—or were classified as having mental retardation or deficiency, accounting for a further 17 deaths. Most of the 66 people had been resident in hospitals or institutions for at least six months before the onset of measles and all but eight of them were aged under 15.

I am sure that my hon. Friend will agree that those figures tragically demonstrate the heavy toll paid by children with Down's syndrome or mental retardation during measles outbreaks before immunisation.

Mr. Smith: The point that I am trying to make is that conclusions reached as a result of tests on Down's syndrome children cannot be applied to the general population. That is my argument and my criticism of the way in which the tests were conducted. I accept that parents signed agreements to the tests—most people would expect them to have signed agreements—but such agreements do not justify the tests.

Ms Jowell: Clearly, there is an issue of consent. The issue would have arisen then, and it arises now. The important factor, however, is that the parents of those children gave consent to testing—on a group of children who, on the information available to me, were at high risk of measles.

In the 1961 UK vaccine study, the authors reported that none of the 56 vaccinated children developed measles and that none of the children suffered serious side-effects. The authors went on to recommend that the number of instances of rash and fever after immunisation in the study might be reduced by work further to weaken the vaccine virus strain used.

I understand my hon. Friend's concern about such studies and I, too, am determined to ensure that clinical trials are conducted to the highest standards of ethical behaviour and ethical practice. On the evidence available, however—because written parental consent was obtained, supporting research had already been conducted, an epidemic was imminent and the group being vaccinated was at high risk from the disease—I do not believe that that research can be equated with the situations that my hon. Friend mentioned in the Republic of Ireland or Australia.

It may be helpful to the House if I explain the process by which vaccine safety is ensured in the United Kingdom and how we continue to monitor vaccines after they are in widespread use. All manufacturers wishing to market vaccines in the United Kingdom have to apply for marketing authorisations. The applications include full data on the manufacturing process and quality control of the vaccines. The applications are reviewed by staff of the Medicines Control Agency, and advice is taken from experts on the Committee on Safety of Medicines and its biologicals sub-committee.

Each vaccine is considered individually, and a marketing authorisation is licensed only if all aspects of its quality, safety and efficacy are satisfactory. Furthermore, vaccines used in the childhood immunisation programme are batch released by the National Institute for Biological Standards and Control, which means that no vaccine is issued in the United Kingdom unless it passes the highest standards for purity.

Once that rigorous process of licensing has been completed, the licensed vaccine is available for use. Measles vaccine was introduced into routine use in the UK in 1968, by which time the UK had observed the experience in the US, where measles vaccine was first licensed and recommended for use in 1963.

Once vaccines are used, all reported adverse reactions to them are carefully monitored by the Committee on Safety of Medicines and the joint committee on

vaccination and immunisation, which advises my Department. I tell my hon. Friend the Member for Blaenau Gwent that I am keen to ensure that all fresh evidence about any possible adverse reactions are submitted to that committee for proper scientific assessment and appraisal.

Mr. Smith: I should like to make three quick points, all of which I am sure that you will answer. Will you tell me, first, what safety trials have been conducted on re-vaccination? Secondly, will you comment on the studies by Dr. Andrew Wakefield of the Royal Free Hospital? Thirdly, do you accept the link between vaccination, measles, MMR and MR and autism and Crohn's disease? If not, can you explain—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Gentleman that he is addressing the Chair.

Ms Jowell: In the time left in this debate, I will endeavour to cover the points raised by hon. Friend. If time runs out, however, I will write to him to deal with them. I am aware of the concern about an alleged link between measles, autism and Crohn's disease. I understand that evidence submitted to the joint committee on vaccination and immunisation could not establish such a link, and that the absence of such a link has been confirmed by a further study of the evidence by the World Health Organisation. I make it clear to my hon. Friend, however, that, if fresh evidence becomes available, I will insist that further investigation of that evidence is undertaken.

Secondly, I know that Dr. Andrew Wakefield of the Royal Free hospital has conducted research in this area, and I will ensure that proper attention is given to it and its conclusions by my officials. However, I have to make it clear that it is the joint committee on vaccination and immunisation—an independent body—which currently advises the Department on vaccine safety.

Mr. Deputy Speaker: Order. We now come to the next debate.

New Age Travellers (Harborough)

1.30 pm

Mr. Edward Garnier (Harborough): I am grateful for the opportunity to raise the issue of new age travellers in my constituency. I am also grateful to the Under-Secretary of State for the Environment, the hon. Member for Greenwich and Woolwich (Mr. Raynsford), for his attendance to respond to the debate.

Until relatively recently, my constituency was mercifully free of trouble from new age travellers. Two years ago, a small group of them set up camp on farmland in Blaston, but, following the intervention of the landowner through the courts—albeit at considerable expense to himself—they were moved on, and have not been back since. This year, however, things have taken a turn for the worse.

In February and March, an illegal encampment of travellers was set up in Welham lane in the parish of Great Bowden. Welham lane is a public highway that leads from the A6 Market Harborough bypass eastwards towards the village of Welham. It is about three miles from the A6 to Welham along that lane—a single-track road with wide grass verges. There is a hedge down each side of the lane, and beyond the hedges lies typical Welland valley pasture land, which for centuries has been used by local farmers to graze cattle and, more recently, sheep.

At the A6 end of the lane, there is a farmyard to the north and a pheasant hatchery and farmhouse to the south. Halfway along the lane to Welham there is a hump-backed bridge over a stream. When the bypass was completed, the bridge was blocked to road traffic, but it remains open to horses, bicycles and pedestrians. The lane has been used extensively by local residents and farmers for recreational and agricultural purposes for many years.

The land either side of the lane is farmed by tenants and landowning farmers. This spring, as in earlier years, the fields were used for ewes and lambs as well as for the beef cattle for which Harborough is justly famous, but all this changed when the new age travellers arrived.

To begin with, there were only a few who parked their caravans, lorries and old buses on the verges to the west of the mid-way bridge. They were mostly in their twenties and thirties, although there were a few young children. They also had dogs—large dogs which ran up and down the lane, chasing the farmers' pick-up trucks carrying feed to the sheep, or barking at the heels of the horses being ridden down the lane.

At first, the new age travellers were seen as a curiosity by local residents, but, as their numbers grew, their behaviour became worse. By April, there were about 80 people living along the lane. It was by now impossible to take a dog for a walk along the lane without being menaced by the travellers' dogs. Riders would not risk taking their horses down the lane.

At weekends, the travellers held noisy parties, setting up large amplifiers in the fields and blasting music across the countryside to the annoyance of my constituents. One couple who live in a village two or three miles from Welham lane had to stay with relations in Suffolk to be sure of getting some sleep at night.

The encampment became a centre for drug dealing, as dealers from the city of Leicester found a ready market there. The site became a health hazard as the travellers defecated in the hedgerows, left litter and burned open fires along the verges. The travellers would steal petrol from local garages and demand drinking water from nearby farmers. The farmers themselves were also being abused. The travellers' dogs were allowed to roam free across the neighbouring fields, worrying and killing ewes and lambs. When the farmers came down the lane each morning and evening to feed their beasts, their vehicles were damaged and their access was blocked.

In the end, it became impossible to use the land at all, and flocks had to be moved to other land. That meant that tenant farmers had to pay hundreds, and even thousands, of pounds to rent the grazing that was effectively now out of bounds. For tenants and owners alike, it meant facing the possibility of over-grazing other land, at a time when rain and new grass were scarce. As if all that were not bad enough, the way in which the local authorities and the police dealt with the illegal encampment left much to be desired.

Before I say what I am about to say, let me make it clear that, on an individual basis, the Home Office, the county council and district council officials and the police officers from Market Harborough, whose task it was to deal with the new age travellers, did their best, and genuinely wanted to help. But what I and my constituents found so frustrating was the slowness of the official reaction and the apparent failure to anticipate and then co-ordinate a response to the problem caused by the travellers.

It seems that each agency of government was nibbling at the problems but without reference to any other relevant department, and that no one was taking a strategic overview or producing a co-ordinated response. To illustrate what I mean, I cite the following example: the nuisance caused by the loud music systems was a matter for the district council's environmental health department. The environmental health officer had powers to serve a noise abatement order, but, for understandable reasons, he would not go down Welham lane to serve the order without a police escort.

The police headquarters in Leicester felt that it was not a proper use of precious resources to send a regiment of policemen to protect one environmental health officer in far-off Great Bowden while he served a noise abatement order, when officers could be more fruitfully employed patrolling the streets of the city of Leicester. Nor would the police escort farmers to and from their fields through the encampment twice a day. They could not arrest the drug dealers or drug users unless they had evidence, and none of sufficient quality was available. If the vehicles were unlicensed and uninsured, it was a small matter compared to what needed doing elsewhere.

Action eventually came from the legal department of the county council, the highway authority with responsibility for Welham lane. In my naivety, I thought that the council would take proceedings under section 77 of the Criminal Justice and Public Order Act 1994—one of the provisions of that statute designed specifically to deal with the increasing problem of new age travellers.

I had several discussions with the county council in April this year, and I formed the distinct impression—although it was not put in so many words—that, as a matter of policy, Leicestershire county council and other local authorities do not use the 1994 Act, because it does not achieve its intended purpose. It was suggested to me

that the Act allows for defences to be raised which hinder and delay the implementation of court orders made under it.

Instead of using that Act, the county council had applied to the district judge by originating summons under order 113 of the rules of the Supreme Court—a procedure for recovering possession of land wrongfully occupied by trespassers, which has been in use for 20 years or so and which is designed to deal primarily with urban squatters where not every trespasser can be identified.

The district judge was sympathetic to the county council's application but felt constrained to adjourn the hearing for two weeks, which was extended to three weeks, to allow the respondent new age travellers to gather evidence of hardship, to apply for legal aid and to apply to the divisional court to review the county council's decision to evict them. This was done on the advice of a firm of solicitors which has made something of a name for itself in this aspect of the law.

To my constituents, this meant that the very people who were continuing to do them harm were now being financially assisted by the state—over and above the welfare benefits that they were already receiving—through legal aid to allow them to do further harm. It was a case of the law-abiding, taxpaying citizen subsidising the unlawful, social-welfare-receiving trespasser in the continuance of his anti-social conduct.

The only thing that my farming constituents and I found in the least amusing throughout this episode was the new age travellers' denial that it was their dogs that had killed the sheep. It could not have been their dogs, they told the district judge, because their dogs were vegetarians.

The other illegal encampment in my constituency is in Mill lane in Smeeton Westerby. This village is about eight miles north-west of Market Harborough, and eight miles south-east of the city of Leicester. Mill lane runs north from the village main street towards the parish of Fleckney. The first half mile of the road from the village is a metal road; the remainder is not made up but is still part of the public highway. Like Welham lane, it is hedged and verged, and runs through grazing land. At one point, there is a privately owned wood or orchard adjacent to the lane.

About three or four years ago, a small group of travellers broke into the wood and set up camp there. They did all the things that trespassers usually do, but, as the site was on private land and the owner lives in Australia and has either lost interest in it or cannot be found, the travellers have stayed in the wood. So long as there were not many of them and they kept their dogs under control, nobody did anything much about them. Indeed, they have been there for so long that I believe the Post Office has given them a postal code, and two children from the camp attend the local primary school.

Unfortunately, the site has acted as a magnet for other new age travellers, who have camped along the verge of the lane. The problems experienced by residents and farmers in Great Bowden with the Welham lane site are now being replicated in Smeeton Westerby.

There are now approximately 80 new age travellers living along Mill lane. Their dogs have killed sheep and lambs—two of the dogs have been shot dead by a local farmer to protect his sheep. The new age travellers have begun to attract drug dealers from Leicester, and they have made it impossible for villagers to ride their horses or bicycles along the lane, or even to walk their dogs.

Attempts to remove the new age travellers from Mill lane have been frustrated by two things: first, by the travellers simply moving to the adjacent private land and then, after an interval, returning to reoccupy the verges; and, secondly, by the landowner's absence abroad.

However, following the lessons learned from the Welham lane episode, the police, Leicestershire county council and Harborough district council are working together in a more organised fashion to decide how best to deal with the 50 or so vehicles and their inhabitants on Mill lane. Inspector Steve Hanson, who has recently taken over as officer in charge of the Market Harborough local police unit, has introduced a greater sense of purpose and focus. The chief executives of the two councils and their legal departments are now working closely together.

When the Welham lane site was eventually vacated by the new age travellers after the district judge's order had been finalised in May, the police said that they were prepared to provide back-up in sufficient numbers to let the travellers know that they meant business, and the travellers withdrew their application to the divisional court. A vast amount of public money had been spent dealing with the encampment—not just on police and local authority officers' time, but on lawyers' fees, legal aid, Home Office inquiries by me, and the collective dealing with the public inquiries by the several agencies involved. The Smeeton Westerby travellers are still on site. Proceedings against them are being contemplated by the county and district councils.

We need to reconsider the issue of new age travellers with a greater sense of urgency. It is the Government's duty to persuade local authorities to co-ordinate their approach to the problem more effectively. If one county has information about a convoy or encampment of new age travellers, it should make sure that its neighbours know. Removing travellers from Leicestershire helps the people of my county, but that may mean that the encampment moves on to one of the several adjacent counties, and the legal process has to be gone through again at further public expense.

Why cannot the Home Office or the Department of the Environment set up a unit to monitor the activities of new age travellers and advise local authorities on the best means of solving the problems they cause? The same approach should be taken by the police across the country. Intelligence and previous experiences should be shared for the greater advantage of the law-abiding and tax-paying public.

Within counties, district and county councils should talk to each other, plan together and act in concert with the police. It is also incumbent on local authorities to let Members of Parliament and the Government know if they are unclear about or dissatisfied with a statute and its perceived effects or defects, rather than keeping their misgivings to themselves and failing to use it.

[Mr. Edward Garnier]

Local authorities and the police are misleading themselves about the Criminal Justice and Public Order Act 1994 and recent case law. Section 61 gives the police a power to direct trespassers to vacate land. That power arises if the police believe

"that two or more persons are trespassing on land and are present there with the common purpose of residing there for any period, that reasonable steps have been taken by or on behalf of the occupier to ask them to leave and—

(a) that any of those persons has caused damage to the land or to property on the land or used threatening . . . behaviour towards the occupier . . . or

(b) that those persons have between them six or more vehicles on the land".

The police need only have reasonable grounds for believing the persons concerned to be trespassers. The trespass does not have to be established by an order of the court before the power under section 61 arises. The period of residence is not specified. I suggest that it can be any period.

The section requires only that the owner should have taken reasonable steps to ask the trespassers to leave. When passing the Bill into law, Parliament did not say that the occupier should be expected to have taken legal action or obtained a court order before the power in section 61 may be invoked. We do not ask those who are assaulted to take civil action before the police become involved to press criminal charges. The power under the section arises if there are at least six vehicles on the land, even if none of the events that I have just recited has occurred.

The statutory purpose of section 61 is clear. When we passed the Act, we wished the police to have the power to direct that land be vacated if at least six vehicles are present, even if no criminal activity or damage to land is involved, without expecting the landowner to use a civil remedy before acting. The importance of that parliamentary intention is emphasised by the reduction in the number of vehicles that must be present, from 12 under the Public Order Act 1986 to six.

Section 77 enables a local authority to serve a direction requiring persons to vacate land, the failure to comply with which may also constitute a criminal offence. However, there are some important differences between section 77 and section 61. The power in section 77 arises if persons are residing in only one vehicle on land in an authority's area. The requirement of at least six vehicles does not apply. It applies if vehicles are located on highway land, unoccupied land or occupied land without the consent of the occupier.

Even for an occupation of fewer than six vehicles, there is no requirement that any of the criminal conduct referred to in section 61 should have occurred for section 77 to apply. An offence is committed under section 77 when a person knowing of the direction fails to leave the land as soon as practicable.

Any defence is restricted to a failure to comply caused by

"illness, mechanical breakdown or other immediate emergency."

The defence under section 61, by contrast, includes

"a reasonable excuse for failing to leave the land as soon as reasonably practicable".

If a direction under section 77 is contravened, the local authority may apply to the magistrates court for an order requiring the removal of any vehicle, property or resident person. The order may also authorise the authority to remove vehicles or property. Under section 61, the police have a power to arrest, and under section 62 they have the power to seize and remove vehicles without the need for a warrant or order of the court.

I hope that I have shown that sections 61 and 77 are different. If they were not, one of them would be unnecessary. Section 61 is directed at situations in which trespassers remain present on land despite the occupier's request that they should leave and certain misconduct has occurred. That power is available to the police if any of the events set out in section 61(1)(a) have occurred. The police can take direct action against the persons thought to be wrongfully present and their property. The section is clearly intended by Parliament to be a speedy and effective remedy, without the need for additional legal proceedings before the trespass is brought to an end.

In contrast, section 77 deals with a broader range of circumstances, in which criminal activities or substantial numbers of vehicles need not be involved and the interests of private landowners need not be affected. Although the local authority is unable to take direct action without court proceedings, the defence under section 77(5) is relatively limited.

Local authorities and police forces have placed reliance on the case of R. *v.* Lincolnshire county council and Wealden district council ex parte Atkinson, which was decided by Mr. Justice Sedley in 1996. They have also been influenced by the Department of the Environment circular 18/94.

That case and that circular gave some police forces the false impression that the same principles enunciated by the judge in the Wealden case apply to orders issued by the police or local authorities under the 1994 Act. Some police forces think that inquiries about education, housing, social service needs and similar matters have to be made before a local authority direction can be made, and that, before the police can invoke their powers under the Act, account should be taken of the personal circumstances of the travellers.

The judge in the Wealden case did not analyse section 61 of the 1994 Act in detail. His decision was based as much on the statutory duties placed on local authorities under the Children Act 1989 and the Housing Act 1985, as well as the obligation on local education authorities to provide education for all children of school age in their area.

The Wealden judgment does not support the view that a local authority or chief constable owes a duty of care to trespassers who are the subject of action under section 61. The function of the police is to enforce the law. It is not their primary duty to take a view on social welfare. There is no legal basis for asserting that the police are under a legal duty to take social factors into account before acting under section 61. The annexe to the Home Office circular 45/94 does not suggest that the Wealden case is relevant, or that any such duty applies.

The powers provided to the police under section 61 and to local authorities under section 77 of the 1994 Act to deal with new age travellers are clear. Parliament deliberately provided those powers, and my constituents and I have a right to expect that they will be exercised by public agencies and authorities when necessary.

As a lawyer, I am the first to admit that the law is not always certain, but it can be made more certain if the Government take the steps that I am advocating: the organisation of greater co-operation across the country in dealing with new age travellers on the one hand, and on the other hand instilling a firmer sense of purpose among police forces and local authorities in applying the powers and remedies deliberately given to them by Parliament under the 1994 Act.

Local government officers and police officers are human—so, too, are lawyers—and they naturally have a well-intentioned concern for the welfare of travellers with whom they are required to deal, but I suggest that such well-intentioned concerns should not be placed above the rights of the law-abiding and tax-paying citizens, whose lives and businesses in my constituency—and no doubt many others as well—have been so badly affected by the unlawful activities of new age travellers.

1.49 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): I congratulate the hon. and learned Member for Harborough (Mr. Garnier) on securing this debate on an issue of concern in his constituency: the unauthorised camping by so-called new age travellers on land which they do not own, and the appalling nuisance that has been caused, particularly in relation to their dogs roaming on adjacent land, noise from rave parties and intimidation of people living in the area. The hon. and learned Gentleman and his constituents have my sincere sympathy for the obvious distress that the travellers have caused.

As the hon. and learned Gentleman has made clear, this is a complex and emotive area, which can have a real impact on local businesses and communities. It inevitably covers a range of issues: unauthorised camping, noise nuisance, threatening behaviour, dogs, and many others—the list is very long. He has drawn particular attention to how the issue involves working with a number of different authorities and different powers. The spread of responsibility inevitably crosses administrative boundaries not only locally but in central Government. Indeed, I think that he was a little surprised that I was the Minister responding to the debate.

As the hon. and learned Gentleman will be aware, although my Department has policy responsibility for local authority powers under the Criminal Justice and Public Order Act 1994, my right hon. Friend the Home Secretary has responsibility for those powers available to the police, which deal not only with trespass on land but with drug dealing and general criminal activity—whether among travellers or anyone else. There are also important links between our Departments in policy on dogs and dealing with noise nuisance and raves.

The hon. and learned Gentleman has identified the frustrations which can arise when the agencies involved do not, for whatever reason, work well together. It is precisely because the issues are so complex that my officials and their colleagues in the Home Office keep in constant touch on such matters, and have indeed discussed this very case over the past few days.

My officials have also been in touch with officers at Leicestershire county council, who I understand have evicted the travellers camped at Welham lane using civil powers, to regain possession of the council's land, despite attempts to challenge it through the courts. That proves that such situations can be dealt with effectively, and that unauthorised campers, particularly those who make life a misery for everyone else, can be evicted. One point about the case, however, is the time that the process can sometimes take, which has obviously caused considerable irritation locally.

I am very conscious of the real difficulties that encampments such as the ones described by the hon. and learned Member can present to local authorities, particularly when the travellers involved seek to use every ruse to prolong their stay on a totally unsuitable site. Nobody pretends that it is easy, especially when such large groups are involved, to strike a balance between the need to control what can be—and clearly was in this case—an appalling public nuisance and the rights of the campers concerned, but local authorities which have a consistent, workable policy in place and have good working relationships with the local police and other agencies are more likely to be able to evict successfully when the need arises.

It is precisely such a co-operative attitude—all agencies working together and being clear about one another's responsibilities—that we want to encourage. My Department is examining the scope for disseminating the good practice already in place in some authorities for dealing with unauthorised camping—whether by new age travellers, gipsies or others. We have appointed research contractors from the university of Birmingham to carry out the work. They have just completed phase I of their project, which comprised detailed case studies in six local authority areas where unauthorised camping is known to be a problem, concentrating on the methods employed by those authorities to deal with it.

The researchers have interviewed officers, covering a range of issues such as those pertaining to environmental health, social services, education and enforcement. I look forward to seeing the outcome of their research so far, which will form a vital part of our collective ministerial education on matters concerning gipsies and other travellers. I can already tell from my postbag that the issue excites much public interest across the country. I am, however, bound to say that I get the strong impression that there is no one easy solution to the problem. If there were, someone would presumably have found it by now.

I turn to some of the specific points that the hon. and learned Gentleman raised—first, drug misuse. He says that the Welham lane site became a centre for drug dealing in the Leicester area. I should say straight away that tackling drug misuse, whether by new age travellers or anybody else, is a priority for the Government. He may know that my right hon. Friend the Prime Minister has appointed my right hon. Friend the President of the Council to serve as Chair of a Cabinet Committee to oversee the development of the Government's drug strategy.

Part of the remit of my right hon. Friend the President of the Council will be the appointment of a drugs tsar—someone who will play a major role in ensuring that the Government's strategy for dealing with the problem is effective as it can be. He or she will have the power to gather together key people from health, the police, education, prisons, the probation and other services to ensure that they work closely together. Much good work

[Mr. Nick Raynsford]

is already being done, including that led by the drug action teams across the country at local level. I understand that there is such a team in the Leicestershire area.

More generally, police officers have the power to search persons for possession of drugs under the Misuse of Drugs Act 1971. Section 23 of that Act provides that a constable may stop and search any person—or search any premises—for the purposes of finding controlled drugs. The search must be carried out in accordance with a code of practice issued under the Police and Criminal Evidence Act 1984, and an officer must have reasonable grounds to suspect that the items are being carried before undertaking a search.

The hon. and learned Gentleman painted a worrying and disturbing picture of the travellers' dogs killing a number of sheep on land adjacent to the camp. The excuse offered by travellers that their dogs could not have killed sheep "because they were vegetarian" is one of the richest that I have ever heard.

The hon. and learned Gentleman may be aware that provisions of the Environmental Protection Act 1990 make it an offence for an owner or person in charge of a dog to permit it to be in a public place not wearing a collar with the name and address of the owner on the collar or on a plate or badge attached to it. The Act also allows for the seizure of dogs on private land, provided that the landowner or occupier has given his consent. The Control of Dogs Order 1992 lists certain types of dogs as exemptions, but dogs belonging to gipsies and travellers are not included.

I turn to the powers available to the police under section 61 of the 1994 Act, which I know is of particular concern to the hon. and learned Gentleman. Such matters are properly for my right hon. Friend the Home Secretary to consider, but I can say that his general position is that he will not comment on specific police operations since they are the responsibility of the chief constable.

It is for the chief constable to decide how to use the resources at his disposal and how to order his policing. It is also important to remember that the power is discretionary, and that only in circumstances where there is a serious threat to public order or of criminal activity will the police consider using the power. I know that the hon. and learned Gentleman has already been in touch with the Leicestershire constabulary on the matter.

The hon. and learned Gentleman has given a reasonable description of the section 61 powers, and he was right to say that the Wealden case did not concern the use of the power. He will, I am sure, know that it is not for me or any ministerial colleague to give a definitive interpretation of the law. That, rightly, is for the agencies involved and ultimately for the courts.

It seems only common sense that the police and local authorities should liaise with one another in such cases, so that, if the police decide to use their public order powers, the relevant local authorities can take steps to fulfil any statutory responsibilities that they may have towards the trespassers. The police will also wish to take into account welfare factors in using their powers, and responsibility for judging how to do that rests with the chief constable.

As for setting up a unit to monitor new age traveller activity, I understand that a body called the northern intelligence unit, which is hosted by Cumbria police, and a sister unit, which is hosted by Wiltshire police, collect data from all forces about the movements of new age travellers and ravers in England and Wales. Intelligence is provided to police forces as appropriate, and I would expect forces to liaise with local authorities on the basis of such intelligence where that is appropriate. We have, however, to remember that there may be some sensitivity surrounding the use of intelligence obtained by the police for agencies outside the police service.

The police also have powers under the 1994 Act to deal with unlicensed mass night-time raves on land, which, as at Welham lane, cause an unacceptable public nuisance and affect many people, who are kept awake, sometimes for nights on end, by incessant music played at intolerable levels. I know that the hon. and l Gentleman will agree with me that local communities should not have to fear the prospect of mass invasions of land by those who selfishly seek entertainment regardless of the rights and amenities of others. The police are, for example, able to stop persons who they believe will attempt to go to a rave site within a radius of five miles of the site and direct them not to proceed. It is an offence not to obey that direction.

Once again, I thank the hon. and l Gentleman for bringing this important and difficult subject to the attention of the House. He has highlighted a number of points which ministerial colleagues and I will want to bear well in mind as we consider the range of issues involved. He has also highlighted all too well the difficulties which can arise when agencies responsible for eviction try rightly to balance the need to restore public order with the rights of the campers concerned. Nobody pretends that that is, or ever has been, an easy balance to strike—

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

WALES

Devolution

1. **Mr. Tyrie:** To ask the Secretary of State for Wales what representations he has received from Blaenau Gwent relating to the referendum on devolution in Wales. [6995]

The Secretary of State for Wales (Mr. Ron Davies): I have received two such representations.

Mr. Tyrie: The hon. Member for Blaenau Gwent (Mr. Smith) has alleged, on several occasions, that he was threatened with expulsion from the Labour party if he continued his opposition to a Welsh Assembly. Does the Secretary of State regret having made those threats?

Mr. Davies: I did not make any such threats, and neither of the representations that I received from Blaenau Gwent concerned my hon. Friend the Member for Blaenau Gwent (Mr. Smith). If the hon. Gentleman had witnessed an incident last night, when I saved my hon. Friend from being run over by a ministerial car, he would realise just what a close and loving relationship we have.

Mr. Touhig: Does my right hon. Friend agree that the people of Blaenau Gwent and the whole of Gwent would benefit if the result of the referendum were in favour of an assembly? We would have a democratically elected assembly to run services in Wales such as education, instead of unelected quangos, such as the body that runs the Gwent tertiary college. It has increased staff costs by £4.5 million in two years while student numbers have been static, has made 40 people redundant and is now cutting courses.

Mr. Davies: My hon. Friend is right. I am aware of the problems of the Gwent tertiary college, which are of great concern to the community, the students, the staff and the management of the college. I know that my hon. Friend and others from Gwent have made representations to my hon. Friend the Under-Secretary who is dealing with the matter. I agree with the thrust of my hon. Friend's question—if we had a democratic settlement in Wales and if the quangos were subject to democratic accountability, the situation would not arise.

Mr. Ancram: The Secretary of State really cannot take refuge behind humour on what is a serious matter. Will he take this opportunity to deny categorically that he ever threatened the hon. Member for Blaenau Gwent (Mr. Smith) with expulsion from the Labour party or brought undue pressure to bear on him, either directly or vicariously through advisers, if he did not toe the party line on devolution? If the Secretary of State denies that, is he accusing the hon. Gentleman of not telling the truth?

Mr. Davies: I have already answered that question by reference to an incident that occurred last night. The right hon. Gentleman should not assume that the generosity of spirit that I showed last night would necessarily apply were I to see him in the same circumstances.

Mr. John Smith: Will my right hon. Friend take every opportunity, when he receives representations, to point out that a Welsh Assembly will give a bigger boost to the Welsh economy than it has seen in the past 20 years—indeed, since the creation of the Welsh Development Agency by the last Labour Government?

Mr. Davies: My hon. Friend had a distinguished career in furthering the economic development of Gwent before he re-entered the House. All of us recognise the great work that he has done. He paid tribute to the Welsh Development Agency. I am pleased to say that we will announce next week a positive programme to modernise the WDA by creating a new economic powerhouse. The name of the Welsh Development Agency is of worldwide renown. When it has the support of a democratically elected assembly, it will continue to improve our economic prospects in Wales.

2. **Mr. St. Aubyn:** To ask the Secretary of State for Wales what plans he has for campaigning with his parliamentary colleagues during the referendum on devolution for Wales. [6996]

3. **Mr. Whittingdale:** To ask the Secretary of State for Wales what will be his role in the referendum campaign. [6997]

Mr. Ron Davies: I shall play a vigorous part in securing a yes vote, along with my right hon. Friend the Prime Minister, other Cabinet colleagues and hon. Members representing constituencies all over the United Kingdom in the referendum to be held later this year. The Government are launching a crusade to create a modern constitution for the entire United Kingdom, and a Welsh Assembly is a vital part of that.

Mr. St. Aubyn: Will the Secretary of State and his colleagues in the campaign promise that the new Welsh Assembly will decide such matters as the legal age at which people can buy cigarettes in Wales? Will the new Welsh Assembly be able to decide such matters as how foxes are controlled in Wales? If the right hon. Gentleman will not promise to let the Welsh Assembly decide such matters, is that not because he trusts the choice of the people of Wales in such matters as little as he trusts the people of Blaenau Gwent in their choice of their Member of Parliament?

Mr. Davies: The hon. Gentleman is new to the House, and I welcome him to Welsh Question Time. Clearly, he has not yet had the opportunity to learn the difference between primary and secondary legislation. We are not proposing to give to the Welsh Assembly discretion to pass laws on the matters that he cites. The assembly will, however, have responsibility for determining a block allocation of finance, which is currently running at a record level of more than £7 billion a year. It will have a range of responsibilities for secondary legislation. It will be able to deal with many of the administrative matters that I currently deal with as Secretary of State for Wales. More important, it will bring an end to the quango years during which our democratic government in Wales has been corrupted by previous Conservative Governments.

Mr. Whittingdale: Does the right hon. Gentleman believe, as is now apparent, that the Prime Minister and the Deputy Prime Minister are to front the referendum

campaign as a direct response to the embarrassing revelations of the right hon. Gentleman's threats to his own Back Benchers to try to silence opposition?

Mr. Davies: No, I do not recognise any truth in that. The real question that must be asked is, where is the no campaign? [HON. MEMBERS: "Behind you."] The Labour party will run a whole-hearted and vigorous campaign to secure the support of the people of Wales in the referendum. It appears that the Conservative party is frightened to mount its own campaign and has decided to hide behind the millions of pounds being put up front by a tax exile from Jersey.

Mr. Llew Smith: Whether we are for or against a Welsh Assembly, does not the Secretary of State regard it as wrong that massive amounts of taxpayers' money will be spent pushing the yes vote, but not one penny of taxpayers' money will be spent to assist those trying to put an alternative view?

Mr. Davies: If that were the case, I would indeed be worried, but let me assure the hon. Gentleman and every Member—*[Interruption.]* Let me assure the whole House that there is no question of one penny of taxpayers' money being spent to assist the yes campaign. The Government will put their proposals before the people in a referendum. We have a responsibility to explain to the people of Wales the details of our proposals. We will do that. It will, however, be a matter then for the political parties to seek to persuade people either to support or to oppose those proposals.

Mr. Donald Anderson: When my right hon. Friend enters the referendum debate, will he, in his usual gentle way, point out that the people of Wales do indeed have a choice? They can choose either movement and constitutional change, or the status quo—a status quo that suits Conservatives, who can never win power in Wales through the ballot box, but have to rely on stuffing the quangos with their friends and relations and bypassing the normal processes of democracy.

Mr. Davies: I agree with my hon. Friend, and it is a great surprise to me to note the arrogance of the Conservative party. Conservatives have just come through a bruising general election in which they lost every seat in Scotland and Wales because they wanted to defend the over-centralised status quo. If they continue as they are, they will manage to create in England precisely what they recently achieved in Scotland and Wales—a Tory-free zone.

Mr. Dafis: Would the Secretary of State be interested to know that I was in Cardiff this morning, collecting names for Plaid Cymru's petition on parity with Scotland, and that the vast majority of people approached enthusiastically signed up to that principle, as well as to the principle of establishing a democratically elected body for the whole of Wales?

Mr. Davies: I am pleased to note the hon. Gentleman's second comment—that the people in Cardiff enthusiastically supported the creation of a democratically elected assembly. His earlier question, however, was a little late, because we have finalised the proposals in the White Paper. They are now at the printers and will shortly be made public, so I am afraid that it is a little too late to accept the sort of amendment that he suggests.

Mr. Gareth Thomas: In view of the report in today's edition of *The Times* that my right hon. Friend usually takes his holiday in Wales, does he agree that the quality of debate, especially at Welsh Question Time, would be substantially improved if Conservative Members, none of whom represents a Welsh constituency, followed his example and learned something about Wales, especially about the huge demand for a renewal of democracy there?

Mr. Davies: I certainly know that my hon. Friend will attend the National Eisteddfod at Bala in August, and I look forward to joining him there and spreading the message for a yes vote. I also note that he has been enthusiastically campaigning in north Wales, and I am delighted to assure him that when the White Paper is published next week he will see that we have many positive proposals to ensure that the interests of north Wales are properly represented, and that the assembly we create will be a truly inclusive one, representing all interests in Wales.

Mr. Evans: The Secretary of State cannot take all the credit for the fiasco that best sums up his first few weeks in office. As he gently roams the hills and valleys of Wales, trying gently to persuade the Welsh people about the merits of his argument on devolution, he will have to answer some serious allegations relating to his special adviser.

What advice did the right hon. Gentleman give his special adviser after the embarrassing revelations about the advice that that person gave to Blaenau Gwent council? What role will that special adviser play during the referendum campaign? Will he accompany the Secretary of State on his tour of Wales, or will he be confined to barracks with strict instructions not to use the telephone to issue any advice on behalf of the Secretary of State, especially to local authorities in Wales?

Mr. Davies: The hon. Gentleman is new to the Front Bench, and it falls to me to congratulate him on his appointment—but I must say that when we refer to the valleys of Wales, we do not always think of Ribble Valley as one of them.

Mr. Evans: Answer the question.

Mr. Davies: I shall answer the question. One of the reasons why I support a new democratic arrangement for Wales is because of the way in which over the years the hon. Gentleman's party systematically corrupted public life in Wales. Last weekend, Viscount St. Davids, a former Welsh Office spokesman in the Lords, confessed to having plotted with David Hunt, a former Conservative Secretary of State for Wales, to ensure political bias in Welsh quangos. I should have thought that the hon. Member for Ribble Valley (Mr. Evans), in his first

appearance at the Dispatch Box, would [illegible] the opportunity to apologise for the previous mistakes of his party.

4. **Mr. Caton:** To ask the Secretary of State for Wales when he expects to publish the White Paper on the Welsh Assembly; and if he will make a statement. [6998]

The Parliamentary Under-Secretary of State for Wales (Mr. Win Griffiths): The White Paper will be published on 22 July.

Mr. Caton: I thank my hon. Friend for that reply. Clearly, it is time to shift the focus from the democratic rights of individual Welsh Members of Parliament to the democratic right of all the people of Wales to hold their Government accountable. Does my hon. Friend agree that the challenge for the Conservative party and any allies that it may have in Wales is how they can justify supporting devolved power, in the form of the Welsh Office, while denying the democratisation of that power through a Welsh Assembly? Is not that the key democratic question at the centre of the debate?

Mr. Griffiths: It is indeed, and we know why the Conservative party does not want a Welsh Assembly: through the appointments that it has made over the years, it has taken powers from local government—creating Tai Cymru, for example—and by and large packed the quangos with its own supporters, who have often been defeated in elections in Wales. The sooner we get back to a democratic Wales, in which the people have a real voice in its government, the sooner we can be assured of even better government in Wales.

Mr. Livsey: Can the Minister confirm that, when the White Paper is published, the interests of mid-Wales will be looked after by the continuation of the Development Board for Rural Wales? There is great concern about structural funds being renewed and, in the agriculture industry, about green pound devaluations. Can he give us an assurance?

Mr. Griffiths: I can assure the hon. Gentleman that the concerns and needs of mid-Wales will be fully catered for in the new economic powerhouse that we will create. We want the Welsh Assembly to be fully inclusive and to ensure that mid-Wales benefits, like all of Wales, from the new arrangements.

Mr. Rowlands: Can my hon. Friend also assure us that the White Paper will foreshadow legislation that will abolish the unappointed quango boards and not, as has been suggested, merely make them accountable to a Welsh Assembly? Our rhetoric must be matched by our legislative action.

Mr. Griffiths: Without wishing to prejudge what the White Paper will say, I can tell my hon. Friend that some quangos will disappear immediately and others will be democratised, after which the Welsh Assembly will have a choice to make about the best way of proceeding with democracy and the organisation of quangos in Wales.

Mr. William Ross: Given the earlier assurance that the Government would welcome an input from all parts of the United Kingdom on the question of devolution for Wales, can the Minister give us a precise assurance that, in preparing the White Paper, the Government have taken fully into account the experience of devolved government in Northern Ireland, from which it is apparent that only when a Unionist party has a say can the Union of the whole Kingdom be maintained? Will the policy of Labour members elected to a new devolved body be to maintain and secure the Union?

Mr. Griffiths: I assure the hon. Gentleman that the Union will be maintained, by consent, and that in the preparation of our White Paper we considered not only what has happened in the United Kingdom but what has happened in Europe and many other parts of the world.

Mr. Ancram: I thank the Minister for at least trying to answer the questions: a great improvement on the Secretary of State, who has not answered a single question that the Opposition have asked him. Can he confirm the report in yesterday's *Financial Times* that, far from getting rid of quangos, the intention in the White Paper is to merge the highly successful Welsh Development Agency and others into what can only be termed, in the Secretary of State's words, an over-centralised super-quango? How does that square with him and his colleagues calling themselves the slayers of quangos?

Mr. Griffiths: The right hon. Gentleman will have to wait for our White Paper on 22 July to see specifically what is proposed across the range of quangos in Wales. I am quite sure that he will then have plenty of opportunity to make whatever response he likes.

Mr. Alan W. Williams: When the White Paper is published, will it describe a system of proportional representation for elections to the Welsh Assembly, which will involve additional members, based on the Euro constituencies? It appears that the Government will conform to proportional representation for the European elections nationally in 1999, or certainly by 2004. Those elections will be based on the regional list system. Does that mean that our Euro-constituency basis for the additional members has to be rethought?

Mr. Griffiths: To respond to my hon. Friend, I would have to move into Departments over which the Welsh Office has no control. I reassure him that no decisions have been taken about what will happen at the next round of European elections. We need to take each bridge as it comes, and I do not propose to cross that one at the moment.

Regional Air Network

5. **Mr. Öpik:** To ask the Secretary of State for Wales if he will make a statement on the promotion of a regional air network for Wales. [6999]

The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain): The development of air services is primarily a commercial matter for airline operators. I will, however, be considering the role of air services, along with all other transport modes, in the context of the development of an integrated transport policy for Wales.

Mr. Öpik: I thank the Minister for that answer. As Welshpool airport has a serious chance of expanding to become the mid-Wales airport, will he commit to giving that initiative serious consideration as we make progress with it?

Mr. Hain: The hon. Gentleman's constituents will thank him for raising that matter because the improvement of air services to mid Wales is obviously important. I will do everything that I can to assist. In the case of Welshpool airport, discussions are taking place between the landowner and the airport owner. I hope that they can come to an agreement from which we can all move forward.

Devolution

6. **Mr. Green:** To ask the Secretary of State for Wales what representations he has received concerning the no campaign in the referendum on an assembly in Wales. [7000]

Mr. Ron Davies: I have received several such representations.

Mr. Green: Since the Secretary of State has failed twice to answer this question, I thought that I would give him another opportunity. Can he say whether he uttered the threat of expulsion from the parliamentary Labour party to the hon. Member for Blaenau Gwent (Mr. Smith)? If he says as he has before that he never uttered it, can he explain why the hon. Gentleman insists that he did?

Mr. Davies: I have answered that question several times.

Mr. Barry Jones: Does my right hon. Friend recollect the meeting in Flintshire, north Wales, on 7 July, which he addressed and which was so crowded that many people had to stand throughout the duration of the meeting? Surely there will be a yes vote victory. How will he ensure a large turnout for the referendum, and how will he seek to bring the governance of Wales closer to the people?

Mr. Davies: I should say at this stage that I was grateful for my hon. Friend's support at that meeting in Mold, which was very well attended. We will be producing a White Paper next week. We will be ensuring that a popular version of that White Paper is distributed to every household in Wales. As I said, it will then be a matter for the political parties in Wales to persuade people to vote in the referendum.

It is certainly my intention, along with that of my colleagues in the Cabinet, the Prime Minister, the Deputy Prime Minister and many Members of Parliament from all political parties in the House, to campaign as vigorously as I can in the summer and in the run-up to the referendum. When the people of Wales are given the opportunity to create a real voice for themselves and a democratic framework to improve our economic performance and the quality of our public services, they will turn out in large numbers and give a positive yes vote.

Mr. Forth: In regard to an assembly in Wales, what proposals do the Government have for consulting the people of England, who will probably end up paying for most of it anyway?

Mr. Davies: This is Welsh Question Time. The Welsh Office has no proposals to consult the people of England.

Mr. Wigley: Will the Secretary of State tell the House how many constructive representations he has received from the no campaign for improving government in Wales, or is its campaign entirely based on retaining the status quo, quangos and all? Is it not true that the general election result in Wales showed overwhelmingly that, whatever our other differences, the overwhelming majority of the people of Wales rejected the status quo as totally unacceptable?

Mr. Davies: All 40 Welsh Members were elected on the basis of manifestos that were committed to changing the discredited status quo. I understand that the no campaign is being fronted by a tax exile from Jersey. It is supported by the Conservative party and it has a large measure of support from hereditary peers in another place. I am not sure which is the least attractive.

Mr. Hanson: Does my right hon. Friend agree that the climax of the no campaign was reached on 1 May, when the only party arguing against the Welsh Assembly secured no seats in Wales?

Mr. Davies: That was not quite the climax, as I understand the meaning of the word. I hope that we shall have a rather more exciting occasion in the middle of September, when we celebrate a yes vote.

Proportional Representation

7. **Mr. Gibb:** To ask the Secretary of State for Wales what representations he has received concerning the use of proportional representation in the elections for an assembly in Wales. [7001]

Mr. Ron Davies: I have received several such representations.

Mr. Gibb: Does the right hon. Gentleman agree that any use of PR using a list system would give tremendous power to the Labour party machine? The right hon. Gentleman talks glibly about transferring power from Westminster to the people of Wales, but he would be transferring power from the people of Wales to himself and his Labour colleagues who are in charge of the Labour party list.

Mr. Davies: No. I reject that entirely. The hon. Gentleman is new to Welsh Question Time, and I welcome him. It is clear, however, that he does not understand the system of PR that is the Labour party's policy. The Labour party will not benefit from these proposals. The Conservative party, which has 20 per cent. of the vote in Wales but no parliamentary representation, would benefit. Plaid Cymru and the Liberal Democrats would be the main beneficiaries.

Devolution

8. **Mr. Fabricant:** To ask the Secretary of State for Wales what representations he has received on the conduct of the devolution referendum campaign in Wales. [7002]

Mr. Hain: Several.

Mr. Fabricant: Does the Minister recall the report in the *Western Mail* four and a half years ago of the attempt by the present Secretary of State for Wales to duff me up in the Corridor outside the Chamber for daring to table a question for Welsh Question Time? Does he agree that he was wrong then? Does he agree also that it is wrong now for him to employ similar bully-boy tactics against the hon. Member for Blaenau Gwent (Mr. Smith)?

Mr. Hain: I hope that the hon. Gentleman did not lose his hair in the incident. I know that the hon. Gentleman is trying hard, as are his colleagues, to divert the debate from the main issue that will face the people of Wales in September, when they will be invited to give a resounding yes vote to establishing a real voice for Wales and thereby rejecting the bankrupt, quango-ridden, corrupt politics that the Tories visited upon Wales for 18 years. Is it not time that the Tories came out clearly and honestly and mounted their no campaign? When they do, they will be given a thrashing by the people of Wales, just as on 1 May.

Mr. Flynn: Does my hon. Friend recall that only a week ago, not four years ago, there was a splendid and crowded meeting in Newport, during which representatives of Blaenau Gwent and other areas in the county expressed their overwhelming support for the yes campaign? Did they not say with one voice that they want decisions on health and education in Wales to be taken in Wales, not in London?

Mr. Hain: My hon. Friend is right. There was a massive meeting—there was standing room only—in Newport last Friday. Such meetings are taking place throughout Wales. People want to get out and campaign for the yes vote in September because they want a real voice for Wales. They want decisions on jobs, schools, hospitals and on all the other issues that are now taken by the Welsh Office to be made in a much more democratic way. They want a new democratic constitution for Britain and a new democracy for Wales.

Mr. Hogg: Can the Minister explain why, on tax-raising powers, a distinction is being made between proposals for the Scottish Parliament and those for the Welsh Assembly? Why are the people of Wales being denied tax-raising powers? In the referendum, will the Minister ask the people of Wales whether they would like tax-raising powers to be given to the Welsh Assembly?

Mr. Hain: I congratulate the right hon. and learned Gentleman on asking a different question from those of his colleagues. [HON. MEMBERS: "Answer."] Will hon. Members wait just a minute—or a second, even? The answer is quite clear. Scotland has its own legal system and therefore requires a different form of devolution from that appropriate for Wales.

Health Targets

9. **Mr. Rhodri Morgan:** To ask the Secretary of State for Wales what targets he has set for improvements in the health of the Welsh population. [7003]

Mr. Win Griffiths: The Welsh Office issued advice to the NHS in Wales on 11 June this year on a number of targets to improve the health of people in Wales and to improve the responsiveness of health services.

Mr. Morgan: I thank my hon. Friend for that reply. Does he agree that one of the most tragic legacies of the previous Government's failure in public health matters in Wales was their failure to set any achievable targets in life style-related public health issues, such as diet, exercise, obesity and, above all, the teenage take-up of smoking? Does he further agree that the sooner the present Government get around to implementing the proposed ban on tobacco advertising, the better for everybody, including young people in Wales?

Mr. Griffiths: My hon. Friend will be pleased to know that I was able to attend the anti-smoking summit earlier this week, which was very successful. I can assure him that legislation will be introduced after consultation to effect the ban on tobacco advertising.

PRIME MINISTER

Engagements

Q1. **Dr. Marek:** To ask the Prime Minister if he will list his official engagements for Wednesday 16 July. [7025]

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. Later today, I will continue to have such meetings.

Dr. Marek: Is the Prime Minister aware that there is a growing consensus in Gibraltar that the constitution should be changed so that Gibraltar becomes a little less of a colony and a little more of a Crown dependency? Should proposals be placed before him that do not affect the treaty of Utrecht in any way, will he give them his careful and serious consideration?

The Prime Minister: What I can say is that my right hon. Friend the Foreign Secretary said to the Chief Minister of Gibraltar, on 7 July, that any proposals made by the Gibraltar Government would, of course, be given careful consideration. They must be compatible with the treaty of Utrecht. I can certainly say to my hon. Friend that we will never consent to any arrangement that goes against the freely expressed wishes of the people of Gibraltar.

Mr. Hague: I welcome the further fall in unemployment announced this morning. What lessons does the Prime Minister draw from the fact that unemployment has now been falling in Britain for four and a half years, but rising elsewhere in Europe?

The Prime Minister: The lesson I learn is that it was the Conservative Government who put it up in the first place.

Mr. Hague: Would the Prime Minister not be more convincing if he admitted that the huge reductions in

unemployment in this country, while it has risen elsewhere, have a great deal to do with the policies of the previous Government? Is he not aware that we have had in recent years the best record of job creation of anywhere in Europe? But, specifically, does the Prime Minister agree that measures that increase the costs of employing people would tend to reduce the number of jobs available?

The Prime Minister: I see no incompatibility at all between measures that are fair treatment for people at work and a successful economy. In case the right hon. Gentleman had not noticed, he is now in opposition.

Mr. Hague: In case the Prime Minister had not noticed, he is now in government and he has to answer the question.

Does the Prime Minister agree that increasing the costs of employing people reduces the number of jobs available? Since the Prime Minister believes—he must believe, since the Government's welfare-to-work scheme is subsidising employment—that reducing the costs of employment increases the number of jobs available, why does he not believe that increasing the costs of employment reduces the number of jobs available?

The Prime Minister: First, as I told the right hon. Gentleman, the previous Government put up unemployment from the level that they inherited. Secondly, as I told him, I do not believe that treating people fairly at the workplace is inconsistent with decent employment measures. Thirdly, if the right hon. Gentleman wants to improve the unemployment situation, particularly for the young unemployed, whose numbers rose under the Conservative Government, he should support our welfare-to-work programme, not oppose it.

Mr. Hague: The House is entitled to less waffle and more answers to questions. I am not talking about fairness in the workplace; I am talking about the Prime Minister's tax on pension funds, which will cost companies billions of pounds and increase the cost of employing people.

Is it not the truth that all Labour Governments in history have left office with unemployment higher than when they took office? Is it not the truth that loading costs on to businesses through a tax on pension funds, signing up to the social chapter and adopting a minimum wage will put at risk the jobs that have been created for thousands of hard-working people in recent years?

The Prime Minister: What would put people's jobs at risk is a return to Tory boom and bust: a return to the days when, under the Government that the right hon. Gentleman supported, interest rates were higher than 15 per cent.—as they were during the last recession—and borrowing was running at more than £40 billion. [HON. MEMBERS: "Answer the question."] The answer to the question is very simple. The way to secure a strong economy is to take measures to put public finances and monetary policy in order, rather than causing a Tory boom and bust. That is the answer.

Lockerbie

Q2. **Mr. Dalyell:** To ask the Prime Minister what assessment he has made of the statement of 1 July made by Mr. Abdel Meguid, former Foreign Minister of Egypt, a copy of which has been sent to him, relating to the Organisation of African Unity's policy towards the trial of Libyans indicted for the Lockerbie bombing; and if he will make a statement on Her Majesty's Government's response. [7026]

The Prime Minister: The Secretary-General of the Arab League referred the joint letter from the league and the Organisation of African Unity to the United Nations Security Council. The Governments of the United Kingdom, France and the United States have replied to that letter. I have made a copy available to my hon. Friend, and it is also available to the House.

The Security Council renewed the sanctions on 10 July. It is still our view, as was made clear in the joint letter, that the sanctions should remain in being until the Security Council resolutions have been complied with.

Mr. Dalyell: What did President Mandela say to the Prime Minister last Thursday about Libyan sanctions and Lockerbie?

The Prime Minister: President Mandela did indeed raise the issue of Libya and sanctions. He made the point that the Organisation of African Unity has made. The organisation wants the sanctions to be lifted. Our view, however, is and remains that, if the sanctions are to be lifted, it is important for the Security Council resolutions to be complied with. We believe that that is right, and we reject the case that is made that a fair trial of the Libyan suspects cannot be held in Scotland.

Engagements

Q3. **Mr. Clappison:** Given the answer that the Prime Minister gave my right hon. Friend the Leader of the Opposition, and given that the Prime Minister now has responsibility for employment, is he prepared to say whether he believes—*[Interruption.]*

Madam Speaker: Order. Some hon. Members seem to think that this is not a proper question, but it is a perfectly proper question.

Mr. Clappison: Is the Prime Minister prepared to say whether he expects unemployment to be lower or higher than it is now at the end of the current Parliament? [7027]

The Prime Minister: I expect that, as a result of the measures that we are taking—particularly the welfare-to-work programme—we will get unemployment down. I have to say to the hon. Gentleman that, if we do not tackle structural, long-term and youth unemployment, the economic costs and burdens that increased so significantly under the last Government will remain. We are not going back to those days.

Q4. **Mr. Gordon Prentice:** Is my right hon. Friend aware that the overwhelming majority of people found guilty of perjury receive immediate custodial sentences? Is it not astonishing that the former Conservative Cabinet Minister, crusader for truth and arms dealer, Jonathan Aitken, should swan off on holiday in California and France? I understand that press reports

today suggest that Jonathan Aitken has now returned to the United Kingdom. Will my right hon. Friend urge the Leader of the Opposition to ensure that Jonathan Aitken stays in this country, faces the music and does not do another runner? [7028]

The Prime Minister: I do not want to comment on any particular cases. Obviously, issues relating to perjury or any other criminal offence are matters for the appropriate authorities.

Mr. Ashdown: The Prime Minister promised that his Government would be about education, education, education. Good words, but how are they honoured by forcing Somerset and Oxfordshire to sack more than 140 teachers?

The Prime Minister: As I said to the right hon. Gentleman last week, we have made the single largest investment in education that any Government have ever made. Before the Budget, he asked for a £500 million programme of school repairs over the Government's lifetime—*[Interruption.]* No, over the lifetime of the Government: Liberal Democrat Members should read their press releases properly. We gave double that amount, but the right hon. Gentleman now criticises us for not giving enough.

Mr. Ashdown: The Prime Minister knows perfectly well that that money is for next year, not this year, as I pointed out last week. Does he understand that those two councils are not examples of high spending and inefficiency? Oxfordshire has the second lowest spending and Somerset the most cost-effective delivery of education in the country. Is it not true that, whatever the Government provide next year, the real reason for this devastating cut is that they have adopted Conservative education cuts and have decided to spend less on education this year than the Conservatives would have spent?

The Prime Minister: I do not accept that. I am not criticising the activities of the councils to which the right hon. Gentleman has drawn attention, but the Budget has had to be very tight this year because of the huge structural deficit in the public finances that we have inherited. If we do not take action now, we shall be in a serious position in the coming years. We have set aside for next year the largest single increase in investment of any Government. That is a far greater record than that of the previous Administration.

Q5. **Mr. Ennis:** Does the Prime Minister agree that the Government's proposal to disband the current two-tier GP fundholding system is a giant step forward in the rebuilding of the national health service? Does he also agree that, in future, the treatment that patients receive from the national health service will be based purely and simply on clinical need? [7029]

The Prime Minister: My hon. Friend is absolutely right. I am astonished that the Conservative party has attacked our proposal, because it will ensure that people are treated on the basis of need and not according to who their doctor is. It is based on two simple ideas—rebuilding the national health service, and fairness—neither of which the Conservative party understands.

Q6. **Mr. Öpik:** If I could get the House the Commons Library to confirm that the Welsh Office will be £55 million worse off in real terms over the next two years than it would have been under the Tories, would the Prime Minister believe me? [7030]

The Prime Minister: I have already made it clear to the right hon. Member for Yeovil (Mr. Ashdown) that the settlement has had to be extremely tight. I say to the hon. Gentleman sincerely that the only way we will get public finances under control is to take the measures that we have taken, including those that were in the Budget. If we do not do that, we will end up with old Tory boom and bust, and we are not going down that route.

Q7. **Dr. Lynne Jones:** Will the Prime Minister join me in welcoming the decision of the employment appeals tribunal that gives transsexuals the protection of the Sex Discrimination Act 1975? Does he agree that more needs to be done to help to combat the appalling discrimination faced by sufferers of gender dysphoria? In particular, they should have the right to have their birth certificates amended to give their correct gender. [7031]

The Prime Minister: I have not seen the tribunal decision to which my hon. Friend refers, but I have no doubt that it will be studied by the appropriate people.

Mr. Donaldson: Will the Prime Minister explain how the Government's policy of no contact and no communication with Sinn Fein-IRA can be reconciled with the approach of the Secretary of State for Northern Ireland, who has confirmed that there have been six telephone calls with Sinn Fein, and that the Government responded to Sinn Fein by letter on 9 July? Has the Prime Minister's repudiation of Sinn Fein-IRA following the murders of the two policemen in Lurgan now been set aside, and is a new policy being pursued?

The Prime Minister: No. What we said after the Lurgan murders is that there would be no meetings between Sinn Fein and the Government, and there have been no such meetings.

It is correct, as my right hon. Friend the Secretary of State has made clear, that there have been responses to telephone calls and letters, and I shall tell the hon. Gentleman why. I want a situation in which either Sinn Fein gives up violence and comes into inclusive talks or, if it does not, it is absolutely clear that it is not coming into those talks because it will not give up violence. If this has to be given clarification so that everyone is under no doubt as to the Government's position, that will be done. The basic principles remain: consent, which is absolutely essential, of the people of Northern Ireland to any change made; and no one participating in those talks unless they give up violence unequivocally and clearly.

Q8. **Mr. Llew Smith:** Madam Speaker—*[Interruption.]* I am obviously grateful for the howls of support.

Over the past 12 months, I have tabled approximately 100 questions and have had two Adjournment debates on matters relating to measles, mumps and rubella

vaccinations. Would the Prime Minister care to comment on the dramatic increase in the number of children suffering from Crohn's disease and autism after such vaccinations? Will he commit himself to organising independent investigations—I emphasise the word "independent"—into possible links between those vaccinations and the diseases? [7032]

The Prime Minister: I am grateful to my hon. Friend for raising this issue, which I know he raised in an Adjournment debate earlier. In assessing the evidence on this matter, the Government rely on the independent expert committee, the Joint Committee on Vaccination and Immunisation, and we follow its advice. It has considered all the evidence of a link between the measles, mumps and rubella vaccine and autism and Crohn's disease. It concluded that, on balance, no such link existed. This evidence, I am advised, is kept constantly under review and is reassessed and re-evaluated. Should there be any change in that, of course the committee will act on it, and so will the Government.

Q9. **Mr. Spring:** When the right hon. Gentleman next travels to his constituency, will he look afresh at the delicate balance between our cities and towns and the countryside? Is he aware of the real concern among many people who live in our country areas that their way of life is under threat and that their interests are marginalised? Does he, as Prime Minister of the whole of our country, not recognise the illiberal inconsistency of his supporting and defending the often quite genuine concern and viewpoints of many minorities in our country, while denying the self-same freedoms to those with whom he happens to disagree? [7033]

The Prime Minister: Of course we do not want to see conflict between town and countryside. The issues that the hon. Gentleman has raised and the points that he has made will be weighed by all Members of Parliament in the run-up to the vote on the Bill. I am sure that every hon. Member will look at it very carefully. I do not believe that there should be any conflict between town and countryside that prevents us from examining this issue dispassionately and properly.

Mr. Blizzard: I should like to say how much people in my constituency will welcome this morning's announcement on the reintroduction of fairness to the national health service. Will my right hon. Friend comment on the importance of efficiency and the effective use of resources in the national health service, particularly in the light of comments that were made to me yesterday by a most senior consultant director in my local NHS trust, who said that there was no doubt that the internal market has been an enormous waste of resources which is depriving patients of the care they need?

The Prime Minister: My hon. Friend is absolutely right. Of course, one of the reasons for getting rid of the internal market that the Conservatives introduced is the enormous cost—£150 million a year just to administer fundholding. If we look at the way in which the NHS has gone in the past few years, we see that one of the reasons why this Government were elected was to restore the national health service as a proper national health service, based on need, not ability to pay, and that is a manifesto commitment that we will carry out with pride.

Q10. **Mr. Tyler:** I accept that some welcome progress has been made in dealing with the bovine spongiform encephalopathy crisis caused by the previous Government, but may I ask the Prime Minister whether he has had drawn to his attention the critical situation that is developing in cattle markets throughout the country, from Caithness to Cornwall, as a result of the reduction in the over-30-months scheme payments which will be made on 4 August, and the consequent collapse in beef prices? Those prices are now down to about a third of what they were last year. Will the right hon. Gentleman's Ministers be prepared to meet those of us from livestock areas who have this crisis on our doorstep? [7034]

The Prime Minister: I am sure that the Minister of Agriculture, Fisheries and Food and the Department will be prepared to meet anyone with a concern about this issue. The hon. Gentleman will realise that the problem is that it is necessary to try to get the costs of the compensation scheme down, because they will run over a period to about £4 billion. It is essential that we try to reduce those costs. I am aware of the situation in the cattle markets and I am sure that that is one of the reasons why the matter will be closely examined by the Minister of Agriculture, who will be in touch with the hon. Gentleman.

Q11. **Mr. Hanson:** Will my right hon. Friend join me in welcoming yet again the fulfilment of another Labour pledge—the publication of the devolution White Paper next week? When will he be able to come to Wales to campaign for the yes vote, and what steps does he intend to take to ensure that there is a massive yes vote, which the people of Wales so richly deserve? [7035]

The Prime Minister: I believe that these proposals will give Wales a strong voice. They will improve the decentralisation of government, which is important for the long-term future of this country. I shall go to Wales on Friday, and I have no doubt that I will be going to Wales many times during the forthcoming months.

Q12. **Mr. Tyrie:** Will the Prime Minister tell the House and the country what he meant when he said some months ago that Labour had no plans to raise taxes at all? [7036]

The Prime Minister: We actually set out in our manifesto very clearly the commitments on tax. We have kept to those manifesto commitments. We have also kept to the commitment that we gave that we would introduce a windfall tax to cure the problems of unemployment in this country. We said that we would increase expenditure on schools and hospitals, and we did so. The difference between this Government and the old Tory Government is that we make promises and keep them.

Mr. Pike: The Prime Minister will know that many people in low-pay constituencies such as mine, Burnley, will be very concerned by what the Leader of the Opposition said earlier today about working conditions. Will my right hon. Friend repeat the news that this Labour

Government are committed to giving a fair national minimum wage as soon as possible to the people of this country?

The Prime Minister: My hon. Friend is absolutely right. One thing that I did not mention to the Leader of the Opposition is that, in the United States, for example, which has a lower unemployment rate than we do, there is a minimum wage. There will be proper and fair treatment for people, first, because it is right in its own terms and, secondly, to save the vast public expenditure on benefits in the present system. What sticks in my craw is Tory Members attacking the minimum wage when they would never for a single instant have any relative of theirs paid that amount of money.

Q13. **Mr. Luff:** Why does the Prime Minister think that there are more people in work here and fewer jobless—*[Interruption.]* I am sorry that Labour Members think that is funny. Why does the Prime Minister think that there are more people in work here and fewer jobless than in any other European Union country? [7037]

The Prime Minister: I have already given the hon. Gentleman the example of the United States, where fewer people are unemployed, but, as I said to his leader just a few moments ago—the hon. Gentleman should have listened—there were more people unemployed when the Tories left office than when they came to office. They shake their heads. I suggest that they go to the same House of Commons Library and see the figures.

Mr. Gunnell: Will my right hon. Friend welcome today's inward investment in Yorkshire, and join the Deputy Prime Minister, who is welcoming that investment on-site? Does the Prime Minister agree that the combination of a Labour Government and Labour-led local authorities, all committed to inward investment, will improve our performance in coming years?

The Prime Minister: My hon. Friend is right, and we welcome that inward investment. It is very good news. I seem to remember being told before the election that all the inward investment would dry up once Labour came to power. Another Tory lie bites the dust.

Q14. **Mr. Welsh:** Does the Prime Minister intend to introduce a proportional representation voting system for future European Parliament elections? If so, will he guarantee that the distinctive political systems in Scotland and Wales are specifically recognised in any such set-up? [7038]

The Prime Minister: It is our clear manifesto commitment to introduce proportional representation for elections to the European Parliament. The electoral systems in Scotland and Wales will be set out clearly in the White Papers on devolution that will be published shortly.

Mr. Sheerman: My right hon. Friend shares with me an enthusiasm for the European Union, but does he share my concern that there should be a strict criterion of democratic excellence before we allow enlargement? My constituents have expressed two worries. The first is that many of the European countries coming into the EU do not have a long track record of being stable democracies. The second is that they will be a net drain on the EU's resources. Will my right hon. Friend keep a careful eye on progress and ensure that our national interest is not damaged by the new entrants?

The Prime Minister: My hon. Friend is right to draw attention to some of the difficulties associated with enlarging the European Union. However, I think that enlargement is right as a process. This country should be fighting for changes in some of the ways in which Europe works to ensure that enlargement happens in the best way possible for existing countries as well as those coming in. Chief of the changes will be fundamental ones to the common agricultural policy. The way in which it works is a disgrace, and it should be reformed in the interests of all the people of Europe.

Q15. **Mr. Burstow:** Has the Prime Minister seen the report published by Scope today, which reveals that, of the polling stations surveyed, 81 per cent. had two or more access problems? Will he take urgent action to deal with the issue? In particular, will he consider the problems of blind or partially sighted people and introduce any necessary legislation that will enable them to vote unaided and in person at polling stations by using Braille templates and large print? [7039]

The Prime Minister: We welcome the study by Scope, and we will take its suggestions seriously. It is obvious that people should be entitled and able to vote irrespective of any disability they have. As most people found at the last election, the current position is not satisfactory. We will look at any ways to improve it.

Mr. Mike Hall: Does my right hon. Friend agree that the announcement by the Economic Secretary of a reversal of the cut in the number of customs officers will help this Government in their fight to combat drug crime?

The Prime Minister: My hon. Friend is absolutely right. One of the biggest worries about the cut in the number of customs officers was that it would impede the fight against crime, especially international crime. My hon. Friend will be aware of the discussions that the Foreign Secretary has been having in Moscow. It is important that we have the right controls and checks on our frontiers so that we can bear down on any form of international crime coming into this country from the rest of Europe. It is an extremely serious problem, and one of the matters that will form the centrepiece of our presidency of the G8 summit next year.

Q16. **Mr. Stunell:** Does the Prime Minister accept that figures supplied by the House of Commons Library show that the total to be spent on education next year will be only £10 million more, allowing for the changed inflation allowances? Does he further accept that that comes on top of large cuts in education in this financial year by many authorities throughout the country? [7040]

The Prime Minister: I do not accept that education authorities will not get the benefit of the money that will go into education next year. The hon. Gentleman is right to say—I say this to all his hon. Friends who are raising this issue—that the settlement will be tough; there is no doubt about that. We have a simple choice: we can go back to the days of the early 1990s, with a borrowing requirement of more than £40 billion, with all the damage that that did, or we can take the action which is necessary now to put our finances on a prudent and stable footing. The money from the windfall tax going into school repairs and the additional funding for education together make the largest single injection of finance into education that any Government have made for some time.

Mr. Barry Jones: Does my right hon. Friend recollect visiting the Raytheon Jets factory last September? May I persuade him to instruct the Secretary of State for Defence to award a contract for my constituent to service the very jets that the Ministry of Defence now flies?

The Prime Minister: I certainly admire my hon. Friend's audacity, although I do not think that it would be appropriate for me to award contracts to any company from the Dispatch Box. I know the Raytheon Jets factory very well, and I am sure that it will submit an excellent bid.

Mr. Soames: On the day that the Secretary-General of the United Nations is to unveil a programme of reforms, will the Prime Minister reflect for a moment on the extraordinarily distinguished role that the United Kingdom has played over the years in the United Nations, not least in peacekeeping operations, in which our troops have given a golden account of themselves? Will he tell the House precisely what his ambitions are for reform of the United Nations?

The Prime Minister: I agree entirely with the hon. Gentleman's sentiments on the United Nations and the part that Britain has played in it. We are proud of playing a major part in founding the United Nations. United Nations forces—in which Britain has played such a notable part in recent years—have done an outstanding job, and I congratulate all those who have been involved in them. The most important aspects of UN reform are that it reforms internally, in its secretariat, and externally, by drawing up the right principles to allow us to decide when it is appropriate to intervene and when it is not. The Government intend to be heavily involved in that process, and I believe that the new Secretary-General has made an excellent start in his work on both aspects.

GP Fundholding

3.31 pm

Mr. John Maples (Stratford-on-Avon) (*by private notice*): To ask the Secretary of State for Health whether he will make a statement on his plans for GP fundholding.

The Secretary of State for Health (Mr. Frank Dobson): My announcement today of fair waiting lists for patients of all general practitioners is an attack on unfairness. It is not an attack on GP fundholding. The previous Government introduced the internal market into the national health service, creating a two-tier system in which patient was set against patient, and GP was set against GP. That was unfair to patients and repugnant to the doctors and nurses who had to apply the system, and it cost a fortune in extra paperwork.

At the general election, we promised to restore fairness to the health service, to end the two-tier system and to ensure that access to treatment is based on need, and need alone. We pledged to change the system so that no patients and no GP practices should suffer any longer from the unfairness introduced by the Conservatives. We are keeping that election promise.

From now on, all NHS trusts must operate a fair waiting list for urgent admissions, regardless of who is commissioning the care. With effect from 1 April 1998, when current contracts run out, all health authorities must establish common waiting time standards for all people living in their area. From the same date, health trusts must not offer preferential treatment to any particular group of patients from health authorities, regardless of whether they are patients of GP fundholders. Faster treatment must be provided only on accepted clinical or social grounds. That change will be fair to every patient, and will be more comfortable and acceptable for doctors and nurses to operate.

My announcement today has been welcomed by the British Medical Association, the Royal College of Nursing and the NHS Confederation. The National Association of Fundholding Practices has made it clear that it fully accepts the principle of fair waiting lists and that, if properly implemented, the new policy will benefit all patients.

In two thirds of all health authorities, the patients of non-fundholding practices have to wait longer for hospital treatment. What is not so well known is that, in the other one third, the patients of GP fundholders lose out under the present system.

We are determined to have a national health service which is fair to all patients. That fairness will be achieved through co-operation in place of the competition and division of recent years. It will be achieved by levelling up to the best that has already been achieved, not by levelling down.

In our general election manifesto, we recognised that the development of fundholding had brought advantages as well as disadvantages. We promised to remove the disadvantages. We are keeping that promise. A month ago, we set out to bring fairness to the financing of non-fundholder practices. Today, we are bringing fairness to their patients.

We are now consulting the professions and patient organisations on how best to develop a primary care system fit for the next century, in which doctors and nurses can play a leading part in planning local health services for all the patients in their area. In this way, we hope to reconcile the better aspects of fundholding with fairness for all patients. We are discussing this with all the professionals involved, and will test out our proposals through pilot schemes in every part of the country.

The new system, like the announcement that I have made today, will be based on the principle that access to health care is based on need, and need alone. That is the principle of fairness, quality and equality on which the Labour party founded the health service. It is the principle of fairness, quality and equality on which we will run the national health service so that it is fair to every patient. Who could possibly quarrel with that?

Mr. Maples: Well, the chairman of the Association of Fundholding Practitioners for one, because he did so on the radio this morning. Perhaps the Secretary of State has got at him since, but this morning on the radio he was expressing considerable reservations.

What we have just heard is a prologue to the slow death of fundholding in the national health service. [HON. MEMBERS: "Hear, hear."] That is the authentic voice of the Labour party. It is happy that it is going to be abolished.

Fundholding has been one of the great successes of the NHS over the past few years. It has put money, power and responsibility in the hands of GPs. They are the people who really understand their patients' needs and who know their local hospitals and local consultants. More than half of GPs have voluntarily become fundholders. They account for more than 60 per cent. of all patients. There would be many more if the Secretary of State had not balked at the last wave. Doctors have voted the scheme a success.

We believe that the Secretary of State plans a slow death for fundholding because it does not fit his model. He knows best, and he plans to direct everything from Whitehall. The idea that individuals should be trusted to make decisions or take initiatives is anathema to him and his party. It is the beginning of the end for fundholding. [HON. MEMBERS: "Ask a question."] There will be some questions—do not worry.

If the Secretary of State does not believe us, perhaps he will believe the Audit Commission, which said:

"There is evidence that the direct involvement of GPs had led to improvements in service".

The Organisation for Economic Co-operation and Development said:

"GPs seem to have done a better job of purchasing . . . GPs have been prepared to diversify providers, challenge hospital practices and demand providers".

The King's Fund described fundholding as one of the major successes of the reforms, and an Edinburgh university study found that it had achieved savings.

Professor Glennerster, a former member of the Labour research department, said:

"All the dire predictions . . . were unfounded.. efficiency gains had more than outweighed costs."

By any standard, fundholding has been a great success. The Secretary of State's excuse for beginning to dismantle it is that it has produced a so-called two tier NHS. Let us be clear that it is an allegation—[HON. MEMBERS: "Question."] It is an allegation—

Madam Speaker: Order. I remind hon. Members that this is a private notice question and that the Member who

[Madam Speaker]

tabled it has to ask a question on the statement that has been made. Of course I allow hon. Members to make a preamble—that is absolutely right—but this preamble is rather long. I think we now have to have pertinent questions.

Mr. Maples: I am coming to the end of the preamble.

Equality is best pursued by maximising opportunities, not minimising them. Arguing about a two-tier health service is akin to saying that equality in human need is best achieved by starving everybody.

Why does the Secretary of State not extend the power held by fundholders to all GPs and all patients? Why not extend to everyone the advantages of a successful experiment? Will he give us a cast-iron assurance that his policy is not to destroy or neuter fundholding? Will he give a cast-iron assurance that GP fundholders will continue to be free to refer their patients to the consultants and hospitals of their choice? The Secretary of State wanted specific questions, but he is not making any note of them. Will he give a cast-iron assurance that GPs will have the power and the money to make those referrals?

Thousands of fundholding GPs and millions of their patients want answers to those questions. If the Secretary of State cannot give us those answers, we and they will know what we have long suspected—that he plans to end the most successful experiment ever in improving patient care and NHS efficiency. If that is what he plans and does, patient care will deteriorate, waiting lists will increase and he will go down in the history of the NHS as a vandal as well as a dinosaur.

Mr. Dobson: I think that the hon. Gentleman was better when he was asking questions. He should consider the interests of patients in his area. In his constituency, as in the constituency of the right hon. Member for Fylde (Mr. Jack), the shadow Minister, the patients of fundholding practices are treated more slowly than others. He should pay a little attention to the people whom he allegedly represents.

I assure the hon. Gentleman that what we have announced today has the support of the British Medical Association, which represents all doctors, the Royal College of Nursing and the National Health Service confederation. Mr. Rhydian Morris, who represents fundholders, has explained to me that they support in principle our effort to establish fair and common waiting lists, provided we do that effectively and deliver on our aims. We shall do that.

The hon. Gentleman's contribution shows that the Tories are not interested in patients or in fairness. They are still obsessed with institutions that they introduced, largely on the advice of a heroin addict and prescription fraudster. We are not prepared to continue that system. We shall replace it with a system that will be the product of consultation with all doctors, all nurses and all people involved in providing primary care. We need a decent primary care system that is fair to every patient of every practice. We shall bring that about.

Dr. Howard Stoate (Dartford): Is my right hon. Friend aware that many GPs, including fundholders, are far from happy with the fundholding system as it stands? Is he further aware that many GP fundholders entered fundholding only because they felt that they had to? Many of those fundholders are trying to get out of fundholding, because they know that it has not been best for their patients.

Is my right hon. Friend also aware that the Audit Commission report showed that 70 per cent. of GP fundholders were unable to manage their funds as well as they might because they did not have the necessary management expertise and skills available? Does he therefore agree that a far better model for primary health care provision would be locality commissioning, which would mean lower bureaucratic costs, better management expertise, a far better deal for patients and, above all, more efficiency for the NHS, using public funds most effectively for the benefit of all patients? That would also lead to equality in waiting lists, and therefore a better service to patients.

Mr. Dobson: I welcome my hon. Friend's contribution, drawing on his professional experience as a doctor. I assure him that our consultation on the future of primary care will include all representative organisations, including the representatives of fundholding GPs, who have said to our faces that they approve of the changes that we are making and of our approach to the further changes that we intend. We believe that that is the way forward. We want to carry the profession with us and do not want to force people to do things that they do not want to do. It is my belief that the bulk of the medical profession and the bulk of the nursing profession want to do the best by their patients. That is why they support what we have announced today.

Mr. Simon Hughes (Southwark, North and Bermondsey): The Secretary of State is right. On all three points we support him, and on all three points the Conservative spokesman, the hon. Member for Stratford-on-Avon (Mr. Maples), is wrong. Fundholding, with the right to buy advance treatment, is wrong and unfair, and should go. That does not necessarily mean the end of fundholding. Fundholders support the announcement, and are clear that such advance treatment is unjustified. Fundholders' representatives, including the very man who was on the radio this morning speaking for fundholding doctors, have told me so to my face. The Secretary of State has our unreserved support, and I am delighted that he has been able to make the announcement.

The follow-up question that will be in people's minds is whether, given that we have abolished the two-tier system for GPs, the Secretary of State has in mind the abolition of the multi-tier system which results in shorter treatment times in certain parts of the country and much longer treatment times in other parts. How soon one is treated is, in effect, a national lottery. When will the other manifesto pledge to treat more people, and, by implication, to bring down waiting lists for all, be achieved?

Mr. Dobson: We are treating more patients. This year, we shall be devoting to patient care £100 million which would have been spent on bureaucracy. Of the £20 million that we will save from the bureaucracy of the eighth wave of fundholding, £10 million is being devoted to breast cancer treatment and £5 million to improvements in

children's intensive care. I thank the hon. Gentleman for his welcome for our proposals, but I have forgotten what his other question was.

Mr. Robin Corbett (Birmingham, Erdington): Those of my constituents who did not have fundholding GPs and were told that they had to wait a minimum of nine months for treatment were very upset when they found out that patients of fundholding GPs had to wait only a maximum of six months, so they will commend what my right hon. Friend has said today. Will he include pharmacists in the consultation about primary care? They have an important role to play.

Mr. Dobson: On the latter point, I can assure my hon. Friend that we shall be consulting everyone involved about the future of primary care and how we can extend the roles of the various professions so that they meet the needs of patients who are feeling poorly. That is the most important thing that we can do.

I think that everybody realises that the present system is manifestly unfair. The bulk of people in this country are profoundly fair people and they want a fair system; they have an unfair system. Such unfairness was emphasised by James Johnson, the chair of the BMA's central consultants and specialists committee, when he said:

"The present two-tier system is manifestly unfair to patients."

Even more important, he said:

"Elective surgery patients are no longer being treated on the basis of clinical need."

We will put a stop to both those things.

Mrs. Virginia Bottomley (South–West Surrey): Is the right hon. Gentleman aware that the real strength of GP fundholding has been to change totally the balance of power in the NHS towards the family doctor? Is not his real problem that, having so failed with the Chancellor of the Exchequer to get even the amount of money secured for this year by his predecessor, he has already been condemned by the BMA, so, rather than take any steps to help patients, he has thrown an ideological bone to his Back Benchers? It is a classic Labour party levelling down, not levelling up, and no patient will benefit.

Mr. Dobson: All I can say about funding is that, as a result of the decision announced by my right hon. Friend the Chancellor of the Exchequer, the NHS in England will gain £1.7 billion more next year in comparison with this year—the Budget set by the Cabinet of which the right hon. Lady was a member. If we are expected to take lessons from her about ways of organising the health service, I can only presume that she is saying that she was not one of the Tory Ministers whom Clive Froggatt came to see—before which, according to his memoirs, he used to shoot up.

Ms Julia Drown (South Swindon): My constituents and I welcome my right hon. Friend's statement, as does the BMA—I have just come from a meeting with it. Does my right hon. Friend agree that his statement will be welcomed not only by the doctors and nurses he mentioned, but by many health care workers? As a former finance director in the health service, I was deeply affected by the internal market introduced by the previous Government.

Before the internal market, I could tell patients that, however difficult the financial circumstances of my hospital, they would be seen in order of clinical priority. If they had the most urgent need, they would be first to be seen by the doctor. It was deeply destructive to doctors, nurses and administrative staff who dealt with patients to turn that round and to have to say, "I am sorry, but it now depends who your doctor is." I welcome with open arms the return of a national health service in which, once again, patients are seen in order of clinical priority. *[Interruption.]*

Mr. Dobson: I thank my hon. Friend for her endorsement of my announcement today. It is revealing that her direct experience, like that of my hon. Friend the Member for Dartford (Dr. Stoate), of the problems caused by the internal market is received with mockery by Opposition Members—sorry, I should say Tory Members, in fairness to the Liberals.

Mr. James Paice (South–East Cambridgeshire): The right hon. Gentleman will know that one of the benefits of fundholding has been that doctors could send patients to the hospital most appropriate for their needs and often most convenient geographically. In my constituency, many people live in one health authority, but the best and nearest hospitals are in a different health authority area. Will the Secretary of State answer the question put by my hon. Friend the Member for Stratford–on–Avon (Mr. Maples) and confirm that fundholding GPs will still be able to send their patients to the hospital most suited to their needs, or will there be some form of central direction of the hospitals they should attend?

Mr. Dobson: The hon. Gentleman ought to recognise that, until the Conservative party made its changes—[HON. MEMBERS: "Answer the question."] I am answering the question. Before the Tories made their changes, any GP in any part of the country could refer any patient to any hospital that he thought suitable. The Tory party took away that right and then started to hand it out as a privilege. We will ensure that all doctors are in the same position to look after their patients and exercise their clinical judgment, which the fundholding system took away from far too many doctors.

Laura Moffatt (Crawley): As a nurse who worked in the health service for 20 years, may I share with my right hon. Friend what such an announcement will mean for my many former colleagues? I am so sad to hear the comments from Tory Members about ideological bones, because I can honestly tell my right hon. Friend that—

Madam Speaker: Order. I am sorry to interrupt the hon. Lady. I have tried to explain that when we are in Question Time hon. Members must ask the Secretary of State a question. I understand the hon. Lady's anxiety and keenness about the statement that has been made and I am sure that she endorses it—I would expect her to do so from the Government side of the House—but she must put a question to the Secretary of State and not make a long speech. I hope that we will soon have a debate on

[Madam Speaker]

the health service and I will be able to call anybody who wishes to make a statement. Meanwhile, let us have a question.

Laura Moffatt: Is my right hon. Friend aware that we desperately need some improvement in the morale of health service staff?

Mr. Dobson: I entirely accept the point made by my hon. Friend in her excellent question. *[Interruption.]* Well, there was more of a question than we had from the hon. Member for Stratford–on–Avon (Mr. Maples). My hon. Friend is right. The fact that doctors, nurses and others working in hospitals had to treat one patient unfairly compared with another was etched deeply into the morale of all concerned. They will be delighted that that rotten, unfair system is to end and be replaced by one that is fair.

Sir Richard Body (Boston and Skegness): With respect, I wonder whether the Secretary of State has quite answered the questions from two of my hon. Friends. They asked whether fundholding doctors would still be able to send their patients to the consultant of their choice. The Secretary of State referred to the hospital of their choice. There is a distinction. Will he make it plain that, if his proposals are accepted, fundholding doctors will not be able to send their patients to the consultant of their choice?

Mr. Dobson: I am sorry, but the hon. Gentleman, for whom I have considerable respect, has missed the point. Fundholding doctors can keep sending their patients to the hospital of their choice and to the consultant of their choice, but neither the hospital nor the consultant can promise to treat them more quickly than another patient equally deserving of treatment.

Mr. Eric Illsley (Barnsley, Central): I welcome my right hon. Friend's announcement, especially, as two years ago, the Sheffield hospitals trust refused all clinical admissions other than those of patients of GP fundholders. Is he aware that a GP fundholding practice in my constituency, which has made underspends of £300,000 over the past few years, has spent that money on buildings which now belong to that practice? Figures for the latest financial year show that practice with an overspend of £80,000, which now falls to be met by the district health authority. Will my right hon. Friend put an end to such malpractice?

Mr. Dobson: As I understand it, any overspending this year will be taken from the practice's future budget, so things should even out. We want a system in which all practices get a fair share of the national health service resources. The measures that we announced about three weeks ago are intended to deal fairly in financial terms with non-fundholding and fundholding practices. That is what the representatives of the non-fundholders say they want, and so do the representatives of the fundholders.

Dr. Evan Harris (Oxford, West and Abingdon): I, too, welcome the statement by the Secretary of State. From talking to former colleagues at the BMA this morning, I can confirm that they also welcome the abolition of that two-tier system. Is the Secretary of State aware that doctors are concerned about another two-tier system? Those people on long waiting lists who can afford to go privately can jump the queue, leaving those without means to wait even longer. Does he have any proposals to prevent waiting lists this year getting longer and longer for my constituents in Oxford and those of other hon. Members?

I remind the Secretary of State of the question from my hon. Friend the Member for Southwark, North and Bermondsey (Mr. Hughes). Can he say when waiting lists will come down by the 100,000 that he promised in the Labour manifesto?

Mr. Dobson: I am not making any wild promises about when waiting lists are coming down. I have been looking at the facts. At present, waiting lists are the highest that they have ever been in the history of the national health service. When we took over, they were rising faster than they have ever risen, and there is still a great deal of momentum behind that rise, so we cannot promise any short-term reductions.

If there is a harsh winter, I have said—and I take responsibility for it—that the first priority for the hospital service must be to deal with emergencies. If that means that the waiting lists must rise in order for the emergency demands to be met, I will take responsibility for it. That is what one must do when one is in government.

Several hon. Members *rose—*

Madam Speaker: Order. We shall now move on.

Foreign Income Dividends

3.47 pm

Mr. David Heathcoat-Amory (Wells): On a point of order, Madam Speaker. I wish to raise a matter concerning the status of the Finance Bill and whether it represents the will of the House at Second Reading. On Friday before last, the Paymaster General implied in the House that the Government were having second thoughts about the treatment of foreign income dividends. He said that he was

"looking sympathetically at the position of UK-based groups with a substantial amount of foreign income."—[*Official Report*, 4 July 1997; Vol. 297, c. 586.]

He realised that many such groups would be driven away from the United Kingdom if the Finance Bill were enacted in that form.

The following week, at Question Time, the Economic Secretary to the Treasury said that no changes were envisaged. However, confusion was created the same day by the Chief Secretary to the Treasury, who said that the position of the Government was "absolutely clear". He added:

"The situation is widely understood, particularly by those affected".—[*Official Report*, 10 July 1997; Vol. 297, c. 1068.]

Since then, it has become clear that the position is far from widely understood, and emergency consultations are taking place between the Treasury and a number of United Kingdom financial groups, as has been widely reported in the press.

My point of order for you, Madam Speaker, is that you have always been vigilant to ensure that the House is the first to know of any change in the treatment of legislation. Further than that, although the Bill has received a Second Reading, we now learn that it does not represent the intentions of the Government. The House has voted on a false prospectus.

Furthermore, the Bill is now in its Committee stage, yet the matter is not only unresolved but has been the subject of contradictory statements by Ministers. I know that you, Madam Speaker, cannot force Ministers to come to the Dispatch Box and explain themselves, but, as the matter affects legislation now before the House—indeed, later today we are to debate the very clause affecting foreign income dividends—will you agree to a postponement of those proceedings until the matter has been resolved and clarified by those on the Treasury Bench?

Madam Speaker: No, I cannot agree to postponing the legislation. As far as the Chair is concerned, it is perfectly in order for us to continue with our proceedings in Committee as arranged. The right hon. Gentleman will, of course, be aware that there is a Report stage to come, and we ought to be a little cautious about such points of order at this stage in Committee. If the right hon. Gentleman has other matters to raise, no doubt those on the Treasury Bench will be able to respond to the political arguments that he puts. Our procedures are perfectly in order at this time.

BILL PRESENTED

ELECTIONS (VISUALLY IMPAIRED VOTERS)

Mr. Paul Burstow, supported by Mr. Harry Barnes and Mr. Peter Bottomley, presented a Bill to make provision for blind and partially sighted people to vote unaided in person at elections through the use of braille template and large print; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon 13 February 1998, and to be printed [Bill 50].

Animal Health (Amendment)

4.1 pm

Mr. Paul Flynn (Newport, West): I beg to move,

That leave be given to bring in a Bill to improve the welfare of animals in quarantine; and for connected purposes.

Our quarantine laws are cruel to animals and distressing to their owners. Those laws are entirely irrational, unnecessary and inefficient. They cost the taxpayer £1 million a year, and animal owners £5 million a year. They survive only because of the previous Government's reluctance act in the face of all the objective opinion, including the unanimous decision of the Agriculture Select Committee, that there was no need for the present system to continue for animals coming from rabies-free countries, especially in Europe.

Quarantine has played little or no part in reducing the incidence of rabies worldwide. That has come about through the use of vaccine, and there is now a sophisticated and far superior method of controlling the spread of rabies, as well as controlling other diseases coming in from other countries.

Most countries, especially the Scandinavian countries, have abandoned quarantine as archaic, inefficient and even dangerous. It is dangerous, because people seeking to evade the six-month quarantine period smuggle animals in. We know that 374 dogs and 234 cats were smuggled in the past six years—and those represent the cases that were detected. There will almost certainly be many thousands more coming in, and we do not know whether they have been vaccinated, or from what countries they come. They may come from countries where rabies is endemic.

The superior system should be used in this country, and I believe that the Government will have the courage to challenge the general public's prejudiced and ill-informed view of the dangers of rabies. Sadly, past Governments have played on people's emotions and vastly exaggerated the threat.

It is extraordinary how futile the process has been: 200,000 animals have been held in quarantine since 1970, and there has not been a single proven case of rabies among them. The last two cases of rabies that we had were in the 1960s, and both the animals had been held in quarantine.

It is extraordinarily unfair that, with certain precautions, we allow bred animals, such as racehorses and cattle, to enter in great numbers. More cattle come into this country from France alone than do dogs from all the rest of the world, yet every warm-blooded mammal can contract and pass on rabies. It is sobering to realise that more people than dogs—13 people since 1974—have entered the country suffering from rabies.

We put our citizens, and especially service men and others who serve this country abroad, at a great disadvantage, and we do not help the disabled: a concession was refused for dogs for the blind, which seems very mean to me. The fact that concessions are allowed exposes the futility of the present laws.

I know that the Government are considering major reforms and that the robust campaign being conducted by Passports for Pets and the Royal Society for the Prevention of Cruelty to Animals will bear fruit. The purpose of my Bill is to correct a major defect in the law that prevents welfare facilities from being guaranteed for animals in quarantine. The Government currently have no power to enforce animal welfare standards in kennels and the RSPCA cannot insist on inspection of quarantine areas.

Many quarantine kennels are run well by people who are doing their best, but it is impossible to overcome the trauma for domestic pets who are parted from their owners and suffer terribly because of their incarceration. Even worse are those rogue kennels that treat animals in an abominable way. Sadly, there is a great deal of evidence of that.

I have testimony of 100 cases of bad treatment by kennels, and I shall refer to one or two. I will not mention the names of the kennels on this occasion, but I may well do so another time. A lady told of how her dog had gone into kennels and she recognised that he had something wrong with his eyes. She tried to get him to a specialist, although the kennel owner was against it.

The dog was eventually taken to a specialist, who went mad and asked why the manager of the kennels had not brought the dog to her earlier. The lady got no support from the kennels and was sworn at by the owners. The kennels were filthy, and there was no effective heating, no exercise and a bad food supply. The animal went blind.

Another lady talks of her three cats in kennels. One died after a couple of months from flu-like symptoms, and another died some time later from an infection, picked up in the kennels, that travelled to the animal's brain.

Another lady talks of her dog who went into kennels that were permanently running with water. She had to ask the managers to clean the dog, because he was in such a state and his feet were sore. She got no co-operation, the animal's bedding was not raised from the ground, he developed trench foot and finally had to have his toes amputated.

Sadly, there is an endless catalogue of cases in which there has been no access to the kennels for those who should be helping out and should be able to inspect them. There is a misapprehension that, because inspections are carried out by the Ministry of Agriculture, Fisheries and Food, the kennels and other quarantine areas are approved. The Ministry has only to inspect the security of the site and ensure that the animals will not escape. There is no guarantee of the welfare standard.

We must look forward to the major reform of quarantine, but this modest Bill can and will become law—people are usually cynical about ten-minute Bills and suggest that they have no chance of becoming law, but 59 have. I hope that the Government will co-operate on the Bill. I know that the Ministers are sympathetic to its aim and I hope that they will ensure it a swift passage so that we correct this defect, which was an error or an oversight in the Animal Health Act 1981.

In the House, we all recognise our duty to protect defenceless animals from unnecessary and avoidable suffering. The appalling conditions in some of our kennels besmirch our reputation as a nation of pet lovers. The Bill will bring force to bear to protect those defenceless animals and I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Paul Flynn, Mr. Charles Kennedy, Mr. Edward Davey, Mr. Ken Livingstone, Mr. Nick Palmer, Mr. David Hanson, Mr. Tim Loughton and Mr. Huw Edwards.

ANIMAL HEALTH (AMENDMENT)

Mr. Paul Flynn accordingly presented a Bill to improve the welfare of animals in quarantine; and for connected purposes. And the same was read the First time; and ordered to be read a Second time upon Friday 28 November, and to be printed [Bill 51].

Orders of the Day

Finance Bill

(Clauses 1, 15, 17 and 19)

Considered in Committee [Progress, 15 July].

[MR. MICHAEL LORD *in the Chair*]

Clause 17

WITHDRAWAL OF RELIEF ON MEDICAL INSURANCE PREMIUMS

4.11 pm

Mr. Tim Boswell (Daventry): I beg to move amendment No. 13, in page 11, line 15, leave out from 'section' to end of line 16 and insert

'shall not take effect until Her Majesty's Government has published a study of the additional National Health Service spending required to accommodate the extra patients resulting from the consequential cancellation of medical insurance contracts'.

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): With this, it will be convenient to discuss amendment No. 14, in page 11, line 15, leave out from 'section' to end of line 16 and insert

'shall not take effect until Her Majesty's Government has published an assessment of the effects of the withdrawal of this tax relief on National Health Service spending in 1997–98, 1998–99 and 1999–2000.'.

Mr. Boswell: The amendment would defer the implementation of any Budget changes to health insurance until a full appraisal of their impact on the national health service and its waiting lists had taken place and been published by the Government. I am bound to say that such an appraisal is sorely needed. I will deal in due course with some of the evidence that I have on the matter, but we need an authoritative Government statement, in particular, as my right hon. Friend the Member for Wells (Mr. Heathcoat–Amory), who is on the Front Bench beside me, has been labouring hard to ascertain some of that material from the Treasury by way of written questions. He has received a number of holding answers on relevant matters, but he has not received the substantive answers. It is regrettable that we did not have the information before this afternoon's debate.

I should at the outset declare an interest in that I have been a member of BUPA for a large number of years. Despite any appearance to the contrary, I do not yet qualify by virtue of age for any tax relief. My mother, on the other hand, is also a member of BUPA, and she does.

In certain respects, this debate mirrors yesterday's debate on mortgage interest tax relief, yet there is a subtle difference in the Government's approach to the two. It is a difference in the scale of the potential revenue. The mortgage interest revenue being discussed yesterday was about £950 million in a full year. By 2000, the revenue gain from the withdrawal of this relief will be £140 million. There is, however, a considerable and significant difference in impact.

Yesterday, we sought to advance the argument that the Government's proposals on mortgage interest would have a widespread effect. After all, there are more than 10 million mortgagors. In contrast to that approach,

[Mr. Boswell]

which I have occasionally described as saturation bombing, today involves precision bombing on a much smaller number of potentially affected persons, including those who are often least well equipped to fight back in the argument. I shall return to numbers and the impact of the proposed changes later.

If my tone is a little quieter than it was last night, it is because we would all do well to reflect that those who are likely to be affected by the proposed change have generally made a great part of their lifetime's contribution to society through their work, through voluntary work, through raising their families and through many other endeavours. When they write, they often state that they had front-line experience of the second world war and experienced times of real difficulty. They grew up through that.

In many cases, including that of my mother, we are talking of people who have relieved the national health service of costs over many years through their membership of private medical insurance schemes. It is worth saying also that they are not generally candidates for some fairly familiar procedures for younger people. For example, they are not candidates for cosmetic surgery on the NHS, nor are they candidates for orthodontia or the repair of sports injuries. Their cases typically—I use my words delicately and I hope that they will not be misinterpreted—involve the more degenerative conditions such as cataracts and the need for hip joint replacements.

Both in the NHS and the private sector of health care, the expectations of society have changed massively over the past generation. People expect to have cataracts and problems with hip joints rectified. They expect the machinery to be in place to enable them to have operations so that they might maintain or enhance their quality of life.

It is a striking fact that almost half of all health expenditure in the United Kingdom is on persons over the age of 65. In 1966, 16 per cent. of our citizens came within that sector of the population, but we look forward to the greying of the baby boom generation and, over the next 25 years, the proportion will increase to 18 per cent. The impact on the target group and, I concede, on potential savings, will increase commensurately.

It will be clear to all of us who were in the Chamber to hear the exchanges following the private notice question that the health service is under severe funding pressure. The Government, as the Secretary of State for Health admitted, are struggling to contain waiting lists. Perhaps it is not for the Committee to debate why that should be and who gave the impression that they had a magic answer during the general election campaign, but the Government promised to reduce waiting lists, and they, have offered no extra current spending to meet the problems of the health service.

In the context of an aging population and the demand for better health services and rectification of diseases linked to aging and degeneration, the Government's proposals, as set out in clause 17, are characteristic of their general approach to the Budget. They reveal some of the besetting sins that we discussed last night in respect of mortgage interest relief. First, there is haste. Haste has curtailed the reasonable representations—indeed, the time for hon. Members to consider those representations—of responsible outside bodies on the matter and, perhaps more regrettably from the Government's point of view, led them into error. It has not been in their own interest to rush this measure. Indeed, the Association of British Insurers made the point that it would be prepared to consider phasing out the relief, but it does not want rushed changes implemented in a Budget with immediate effect from 2 July. I shall come to the specific points about that in a moment.

Haste is the first problem. The second problem, which goes through much of what the Government announced in their Budget, is an emphasis on dressing up measures of class spite as though they provide a springboard for surmounting real-world and acknowledged problems in financing public services. Even if we believe the Government's figures for savings as set out in the Red Book—a figure rising to £140 million a year from the current estimate and £120 million in the first full year—the Committee would do well to remember that that would finance the operation of the national health service for precisely 24 hours. Even if they got the lot back, the Government are not buying themselves very much time.

The third characteristic of the Government's approach to the Budget is, of course, the iron law, as we must now call it, of the Financial Secretary—in effect, "If you damage someone, you are acting with their best interests at heart." I invite the Financial Secretary—just as she argued on pensions, and just as one of my hon. Friends did on mortgage interest relief—to talk to my mother, or any other policyholder with medical insurance policies, and explain how this measure will help them.

My fourth and final point about the Government's general approach is that the present Prime Minister and Ministers on the Treasury Bench gave solemn assurances during the election campaign about their wish not to increase taxation. This measure is clearly a withdrawal of a tax expenditure, or, to put it in English, an increase in taxation. That is not good enough.

On openness and transparency, a matter that we discussed last night, I heard a suggestion from the hon. Member for Dudley, North (Mr. Cranston), who is present. Perhaps I did not do him justice in the short time allowed for the winding-up speeches. Perhaps he would have liked to say something, if only space had permitted, in his election address.

I have in my constituency a company called Freight Media, in which I have no interest but which I respect. It operates for all political parties and puts out the wagons with sandwich boards on the side that tell people who they should vote for. Indeed, the company was also in evidence at the grand prix at Silverstone this week.

I wonder whether the Government were really prepared to level with their electors and supporters, given that they are proud of the way in which they have secured, for the first time, representation on the south coast. Would it not have been more appropriate for the Labour party to tour the south coast during the election campaign, when people could still have changed their minds, with large boards affixed to the sides of lorries saying, "We do not propose to increase taxes but"—for reasons that may or may not be explained this afternoon—"we think it right that you, the elderly, should have your health insurance tax relief removed."

By way of context, it is important to flag up that the relief, which was introduced in 1990, was reduced to the basic rate by the Chancellor in 1994. Because it is credited at source, lower rate taxpayers and people who pay no tax can also join in and get the full benefit of it.

There is little evidence that the relief goes largely to the affluent. What is quite clear is that the elderly—those who have retired—are not by any means the richest, let alone the most directly influential, section of society, although some are relatively well off. The Government's proposal targets the weak in a way that I, as a Conservative, find unacceptable.

I want to analyse the Government's proposals, and I shall begin by inviting them to consider one or two points. I should make it clear to the Financial Secretary that they are not in any sense political points; they are Committee points. I hope that the Financial Secretary will do me the courtesy of listening. Although I sometimes challenge her to give an immediate response, and although I would prefer her to try to reply to my points today because of the uncertainties that may well affect some of those involved—including the providers of health insurance—I ask her to reflect on what I shall say about the detailed operation of clause 17, and perhaps introduce further measures on Report.

I concede that the Government have, to an extent, recognised that, even when a Chancellor of the Exchequer gets up to make an announcement, both providers and policyholders are caught when the music stops and there may be inequities if some smoothing relief is not given. As the notes on clauses helpfully explain, an attempt has been made to provide for the renewal of existing contracts—subject to some safeguards—as well as for new contracts that were in the pipeline.

According to my analysis, there are three outstanding points. Some of my hon. Friends who raised those points with me may well want to return to them in more detail. I am not sure whether the first is dealt with in the Bill as currently drafted, but I regard it as important. I refer to cases in which the insurance provider has passed the contract offer for the year just ahead of 2 July, which is the operative cut-off date, to ensure that contracts that are ready to go out are available for the whole year. I am told by some of the providers that there has been no phoney business and no bunching up of contracts. I feel that, when people have made normal commercial arrangements not designed to frustrate anticipated legislation, those arrangements should stand.

My second point relates to oral contracts. Both a provider and the Association of British Insurers have told me that many contracts are now arranged through telephone sales. People give credit card numbers over the telephone, and nothing is written down initially. As I read the Bill, it is pretty clear that the contract exceptions are confined to contracts in writing.

No one wants to promote gross abuse of the system, but there ought to be some way of providing for genuinely understood contracts. I am no lawyer, but I take an interest in such matters. If there is no way of providing for that type of contract, will not a real difficulty be created between policyholder and insurer in that a contract that has been undertaken orally on one basis will then be materially frustrated by a change in tax law? Such a change would create an inequity if the insurer held the policyholder to the contract.

The third point is narrower, but I think that it is important to some providers. I am familiar with it from my own experience with paying monthly for an annual contract. I understand that, for reasons that appear to relate to consumer credit law, a number of such contracts are written on the basis of a renewable monthly contract. If that is so, as I read the Bill, come 2 July it would be possible to make one such renewal, which would run until 2 August, but it would not be possible to have a full year's renewal by a series of monthly contracts. I suggest to the Financial Secretary that, if that has been the traditional and reasonable way of constructing these matters, she should consider some relief.

4.30 pm

We are faced with a guillotine in Committee and, as a result of the Chancellor's decision, with a guillotine on these tax reliefs. It is incumbent on the Government to think hard about the transitional effects and to soften them where appropriate. I genuinely do not want to press the Financial Secretary on this matter, except to ask her to consider these essentially Committee points and see whether she can come up with some alleviation.

I shall now deal with the general issues that are more germane to the amendment. There is a continuing incoherence in the Government's figures, which is why we want a structured and comprehensive report on what is going on. It is remarkable that the Budget Red Book of 2 July refers to the potential catch in the withdrawal of this relief. It refers to a third of a million people—which is an unusual fraction for the Red Book—whereas the Financial Secretary, in a written answer 24 hours earlier on 1 July at column *108* of *Hansard*, referred to a written answer given by the previous Government in the shape of my right hon. Friend the Member for Fylde (Mr. Jack) on 13 March at column *322*, which referred to 600,000 people. That figure seems to be in line with independent studies, although the precise number is not certain.

The Financial Secretary to the Treasury (Dawn Primarolo): If the hon. Gentleman studies the parliamentary answer to which he referred, he will see that the figure was an estimate, not an exact figure.

Mr. Boswell: If so, we were given an estimate of 600,000 on 1 July, and another estimate of a third of a million in the Red Book on 2 July. That is a divergence of almost 100 per cent.

Dawn Primarolo: I refer the hon. Gentleman to the Adjournment debate that was secured by the hon. Member for Eastbourne (Mr. Waterson). The figures were given in that debate and were confirmed in a written answer to his hon. Friend.

Mr. Boswell: I am grateful for that information. We shall reflect on what the Financial Secretary said and we shall come back to her if appropriate. Throughout this process we have had some difficulty getting answers to written questions.

The hon. Lady just said that the figure given was an estimate. That is precisely the point. We are still uncertain about the impact of this measure, which is why we are calling for a full analysis.

[Mr. Boswell]

My second point concerns the likely impact on national health service waiting lists. On 14 July, which was after the Budget, the Minister of State, Department of Health, the hon. Member for Darlington (Mr. Milburn) was asked by my hon. Friend the Member for Romsey (Mr. Colvin) to estimate the impact on waiting lists. The Minister replied:

"Any such estimate would be pure speculation. Most of the people who benefited from the tax relief were existing policy holders. It would be wrong to assume that they will turn to the National Health Service in large numbers for treatment because the relief which had not been available when they first opted for private health insurance was now being withdrawn."—[*Official Report*, 14 July 1997; Vol. 298, c. 78-9.]

I understand that line of argument, which is fairly familiar from the Treasury, but it is rather alarmingly plain that it is suggested that nobody knows anything about the subject. We know quite a bit about it, and what we know gives rise to concern about the Government's estimate of the saving. The matter should be more thoroughly reviewed.

Perhaps it should no longer surprise me that the Government not only cannot get their figures overtly consistent but do not appear to be able to read reports that have been commissioned from reputable outside bodies, notably the Economists Advisory Group. A detailed report, which is in my hands, was sent by that group to the Secretary of State for Health and to the Chancellor and the Financial Secretary in mid May. It must have been in their hands when they were preparing their Budget proposals.

It seems from the answer that I quoted a moment ago that the Government may be claiming that ignorance is a defence. They may claim not to have read the EAG report, which makes challenging reading. It analyses price elasticity for private medical insurance and the flows that are reported in the series, with which some hon. Members will be familiar, on private medical insurance by Laing and Buisson. It suggests some systematic flaws in those recent studies. For example, it suggests that they do not separate out the price impacts from total revenue, and the effect is that they grossly under-estimate the results of price increases on demand and the cost of medical services.

According to the Economists Advisory Group analysis, which I remind the House is in the hands of the Financial Secretary, what seems to have happened is that people have been trading down in response to the higher premiums that are required as they move into the next quinquennium of their health insurance and because health insurance is getting more expensive anyway because of higher costs and greater demands on the service. As people have been trading down, health insurance tax relief has enabled them to maintain their membership of a scheme. I did that myself, although I did not benefit from health insurance.

The danger is that people will no longer trade down, but will trade out altogether and go back to the national health service. Our amendment does not state absolutely that that will happen, but that everyone should pause while the matter is properly analysed.

Some of the proposals are a little high flown and complex, even for lay economists like me. It is necessary to put the matter in English in terms of its impact on the individual. I was impressed by the Economists Advisory Group's quotation of the comments of one elderly policyholder:

"We pay £133 a month but if the tax relief were abolished the cost would go up to £173 a month, which is really prohibitive. It seems a tragedy that we have been members of BUPA for such a long time then just when we need the cover the most we would find it expensive."

We are dealing with a known hit on a significant number of electors and constituents set against a speculative benefit to the national health service.

I draw the House's attention to one specific point that is incontestable in terms of the Red Book figures. There is a suggestion of a small saving from the withdrawal of this relief because it is being taken away midway through the tax year in year one, 1997–98. However, we know from the Budget statement that no additional funds have been made available to the national health service in the current year. All that the Chancellor did was pre-empt some of the reserve that was available for 1998–99 and commit it five months ahead of the normal time to the health service, so if even one person with private medical insurance has to chuck it in and go back to the NHS, he will go on a waiting list and there will be no extra money to fund provision for him.

If the Financial Secretary studies the analysis, she will see that there is strong resistance among insurance policyholders to increases, which tend to take place every five years as they move into a new medical insurance bracket and annually as costs rise in both the private and public sectors of the health service.

It is difficult to calculate exactly how many people will leave. I have mentioned that it appears—I do not think that the Financial Secretary dissented, but I will need to study the record carefully—that the probable net number of policyholders who will be affected by the changes is about 600,000. I am not claiming that all those people will go back. What I can say is that the EAG study worked out that, for acute major procedures only, about 30,000 policyholders per annum could go back, increasing NHS waiting lists by that number.

Two other points also cast grave doubts on the Government's arithmetic in working out the benefit to the Treasury of the changes. First, there will be a loss of insurance premium tax from any withdrawal of policyholders. The insurers estimate that that loss will amount to about £7 million a year. Secondly, the health service benefits from the use of private beds in NHS hospitals and that benefit is estimated to be about £20 million a year.

In the amendment, I have been seeking not to give a final, definitive answer to the question how many of the 600,000 people will up sticks and go back into the NHS, but to suggest that there is a sufficient problem here for the House not easily to accept the changes without a proper, published study and discussion. We could, for example, ask the Health Committee for a short report.

Many of these people will not only suffer, but indirectly impose a further load on the NHS. Frankly, we should be told more. The net effects of the changes should be properly analysed and their damaging effect on individuals avoided until these matters have been cleared up and thoroughly resolved.

Dawn Primarolo: Nice try. That is a standard ploy of oppositions: when in doubt, ask for a report. We used it

on one or two occasions. The Opposition are unable to find a genuine amendment to the clause and apparently unable to bring to bear the great intellectual depth that the hon. Member for Daventry (Mr. Boswell) suggests, so he makes this proposal.

The Committee's deliberations will be assisted if I present the facts that support the Government's decision to withdraw tax relief on private medical insurance for the over-60s. In explaining the Opposition case before Opposition Members retire to the bar, rather than when they return and are in a disruptive and public school boy frame of mind, I hope—

Mr. Boswell: On a point of order, Mr. Lord. Last night, I heard some remarks by the Financial Secretary that were in that vein and I have today again heard it asserted that Opposition Members are in some sense not treating these matters with the seriousness that they deserve and that their inability to do so is related to the consumption of alcohol. The matter has been drawn to the attention of the Chair on past occasions. I do not have a copy of "Erskine May" in front of me, but in the absence of any definite information should not the Financial Secretary be invited not to proceed further with her line of argument and, indeed, to withdraw the remarks that she has just made?

The Second Deputy Chairman: The obvious answer is for everyone in the Chamber to concentrate on the matters in hand.

4.45 pm

Dawn Primarolo: When private medical insurance relief for the over-60s was introduced by the Conservative Government in 1990, they claimed that it would encourage the growth of insurance cover for that group in society. They did not undertake any research to find out whether it would work, and it did not. The subsidy did not secure a significant growth in provision.

When the relief was introduced, some 350,000 contracts existed, covering 500,000 individuals. Those people had already purchased medical insurance, so the tax relief was a subsidy to them. No doubt they were very grateful to receive it, but it played no part in their decision to take out insurance. The question that the hon. Member for Daventry (Mr. Boswell) must answer is, should people be subsidised for action that they would have taken anyway?

Mr. Tim Loughton (East Worthing and Shoreham) *rose—*

Dawn Primarolo: I will give way to the hon. Gentleman in a moment.

Since 1990 and up to 1997, the number of contracts has increased only marginally, by 10 per cent.—yet the cost to the taxpayer for that 10 per cent. increase is £140 million. Perhaps the hon. Member for East Worthing and Shoreham (Mr. Loughton) will explain why taxpayers' money should be used to benefit a very few people who had already decided what they would do.

Mr. Loughton: Later, I hope to elaborate on my comments and take up the question why, yet again, it is a Government onslaught on minorities.

I want to pick up the hon. Lady on her remarks and, with reference to the major health care providers, ask on what evidence she is basing her claim that people who took out health care insurance before 1990 have not changed during the years to 1997. What about those who have died? What about those who have been priced out of the market because the average price of pensioner health care insurance has gone up by at least 11 per cent. a year? Is the hon. Lady really saying that there has been no change in policyholders over those years?

Dawn Primarolo: Conservative Members need to make up their minds on their line of argument against the Government. The hon. Member for Daventry said that people were long-standing contributors to the schemes and that they should not be deprived of them. Now, the hon. Member for East Worthing and Shoreham is taking a different line, saying that that is not the case.

Mr. Boswell: The substance of my argument was that some members were long-standing contributors, and that they had some wish, in equity, to get some benefit from their long-standing withdrawal from imposing, at least partially, any cost on the NHS. Equally, some were marginal cases and might otherwise have stayed with the NHS rather than subscribe to private medical insurance.

The matter is not entirely clear, but it could be clarified by the sort of report for which we have asked. If the hon. Lady does not wish to produce one, I suggest that she speaks to those who produced the EAG report, and explains what is wrong with the calculations in it.

Dawn Primarolo: I shall demonstrate that insurance companies—by using information that they themselves have provided; and they provide the insurance cover—expect that there will be almost no impact on the number of people who have insurance policies. Already those companies are offering solutions.

Provision of the subsidy is truly a measure that benefits only the few—5 per cent. at most—at the expense of the majority. Why should taxpayers pay for relief that offers no clear benefits? The Government have therefore decided to use the money saved from abolition of the relief to help pay to cut VAT on fuel to 5 per cent., thereby particularly benefiting low-income households and pensioners.

It is truly breathtaking for the Conservative party, after 18 years of undermining the national health service, to try to portray itself as the pensioner's friend, worrying about the NHS while painting a bleak picture of it.

Mr. Desmond Swayne (New Forest, West): The parliamentary newsletter of the Association of British Insurers states:

"Although presented as helping to pay for the cost of reducing VAT on heating, the Association's submission to the Chancellor indicated that it will cost the Government more in terms of extra NHS costs and loss of insurance premium tax than it will save on the relief itself."

Will the Minister comment on that?

Dawn Primarolo: I am so glad that the hon. Gentleman has managed to have an original thought, although it has been supplied by someone outside the Chamber. I will, however, deal with precisely that point.

[Dawn Primarolo]

There is no indication that those who have private medical insurance and receive relief will change their minds because of our decision. In the name of fairness, however, the Government have made specific provisions in the clause to ensure that relief is not ended immediately, but honoured to the end of the annual contract. Such provision will give individuals who are concerned about their private medical insurance time to seek advice from their insurers and examine the options available.

I will deal with the options that insurance providers say are available after I allow the hon. Member for Grantham and Stamford (Mr. Davies) to intervene. Perhaps he can tell us whether it is right that people should be subsidised to do something that they would have done anyway.

Mr. Quentin Davies (Grantham and Stamford): The Minister just said that there is no indication that relief withdrawal will reduce the number of people who qualify on age grounds taking out private health insurance. That proposition is extraordinary, and essentially amounts to saying that one can increase the price of something—the net price to individuals taking such insurance cover will increase substantially after abolition of tax relief—without reducing demand for it. Surely that proposition is fundamentally implausible, and cannot possibly be true in the health care or any other sector.

Dawn Primarolo: What do the insurance companies say about the point raised by the hon. Gentleman? In *The Times* of 3 July 1997, in an advertisement headed "If you think private healthcare will be too expensive without tax relief, consult a specialist", Norwich Union—one of the largest providers of such insurance packages—stated:

"If you're over 60, you've probably benefited from tax relief on your healthcare premiums. That changed after yesterday's Budget and you'll soon start paying up to 30 per cent. more. But to find out how you won't have to, no matter who your policy's with, call the Norwich Union Healthcare Tax Relief Helpline now."

Norwich Union will ensure that people can continue their policies without extra cost. A report in *The Independent* states that Norwich Union, one of the largest providers of this type of insurance, is confident that 98 per cent. of customers need not pay any more and could keep their private medical insurance. Those are the facts.

Mr. Quentin Davies *rose—*

Mr. Nick St. Aubyn (Guildford) *rose—*

Dawn Primarolo: I am sure that the hon. Gentlemen, to whom I am not giving way, will be able to catch your eye, Mr. Lord, and make their own contributions.

These are the facts. The Government have outlined their case for abolition on the basis that the relief is not justified. It has not worked. There has been no substantial increase in the number of people with private medical insurance. The amendment is defective. There is no reason why the many taxpayers should continue to provide this massive subsidy for the few. I hope that the Committee will reject the amendment, and support the Government.

Dr. Vincent Cable (Twickenham): I support amendment No. 13. It echoes amendment No. 14, tabled by my hon. Friends the Members for Gordon (Mr. Bruce) and for Kingston and Surbiton (Mr. Davey) and me, but in a rather different spirit.

It was clear from our interventions on Second Reading that we share the Government's philosophy in many respects. We believe that it is inequitable that a relatively well-off section of the community should be subsidised through tax relief. This tax relief was originally introduced by the previous Government for the wrong motive—to weaken the NHS. We therefore support the Government's broad policy position, which is why we supported the Government on Second Reading.

However, this is the Committee stage. It is an opportunity to review the proposals in more detail, and, echoing some of the points that have already been made, we seek a much more thorough analysis of the financial implications. There are people employed in the Treasury—econometricians labouring in the bowels of the Ministry—who could be asked to produce some useful figures with which we can work.

At the moment, there is a wide spread of estimates about what will happen. Within the insurance industry, for example, Western Provident commissioned a survey by Gallup, which showed that an increase of 50 per cent. in premiums would lose it about 70 per cent. of its subscribers. That is a very high price elasticity of demand. Indeed, it seems implausibly high.

At the other extreme, the Government are telling us that their proposals will have no impact. Somewhere between those two extremes almost certainly lies the truth. In his intervention, the hon. Member for Grantham and Stamford (Mr. Davies) captured very clearly where that truth might be.

Mr. Quentin Davies: One always tries to avoid technical terms in this place, but the hon. Gentleman mentioned price elasticity of demand. Underlying the Minister's presentation of the Government's case is the clear assumption that price elasticity of demand for health care insurance is precisely zero. Does the hon. Gentleman agree that that is fundamentally implausible? Can he think of any commodity on God's earth for which the price elasticity of demand is literally zero, because it is only in that context that the hon. Lady's remarks make any sense?

Dr. Cable: The hon. Gentleman is right; I can think of no such commodity. The logic of the Budget suggests that the Government believe that behaviour can be changed through taxes and tax incentives. The purpose of increasing petrol taxes was to discourage motoring; the purpose of increasing excise duties on cigarettes was to discourage smoking; and the purpose of reducing MIRAS was to dampen the demand for housing. We know from experience that any impact is likely to be relatively small, but not zero. That is the point of my contribution.

In the absence of any sensible estimates, we have to work with the rough arithmetic we have been given. My understanding is that the cost to the Treasury of this tax relief is about £120 million to £140 million. I also believe that the total annual pay-out for medical insurance is about £400 million, so it would require only a quarter of the insurers to drop out of the scheme to eliminate completely the gain to the Treasury from the abolition of relief.

We have to put that in the context of the overall health service budget. The Liberal Democrats have been labouring to bring to the Government's attention the marginal position of the health service budget. On the basis of estimates produced by the Library, we believe that increased inflation will cut the health service budget in real terms by £400 million this year. After the additional injection of cash, the budget may be increased by about £420 million next year.

That means virtually no increase in health service provision over two years. Any loss from this relatively small measure will mean a reduction in per capita spending in the health service. That is why we support the amendment, and are pressing the Government for a more thorough analysis of the economic impact of their proposal.

5 pm

Mr. Ross Cranston (Dudley, North): I start with a digression. The hon. Member for Daventry (Mr. Boswell) referred to my contribution yesterday. When winding up last night, he quoted Shakespeare. I should have thought that a close study of Shakespeare would have given him an appreciation of the use of irony, but apparently not.

The hon. Gentleman also does not seem to appreciate the impact of the defeat that his party suffered on 1 May. He has not realised that our victory was so massive because we appealed to the many rather than the few. The tax relief that we are talking about benefits very few—little more than 500,000 individuals. Only the relatively affluent can take out private medical insurance. The hon. Gentleman quoted a premium of £133 a month. Most people over 60 in my constituency cannot afford £133 a month.

A great deal has been made of the possible impact of the measure on the national health service. The Conservative amendment would defer the removal of the relief until the impact on the NHS has been assessed. There can be some speculation about the possible impact of the measure. There seems to be a price inelasticity. Many of those who are already taking out private medical insurance will continue to do so. I think that the hon. Member for Grantham and Stamford (Mr. Davies) finally grasped that a moment ago.

The insurers have made various assessments of the impact on the NHS. PPP suggested that the measure would increase NHS waiting lists by more than 100,000. Western Provident said that the added cost to the NHS would be as high as £300 million. BUPA has given a different estimate. If the insurers are unclear about the impact, I suggest that we should not postpone the measure for an assessment that will not be clear for a number of years.

I was taken by the remarks of Mr. William Laing, a leading analyst in the area. He was quoted in the *Financial Times* as saying:

"the amount of a typical PMI premium is far higher than the cost to the NHS of the treatment covered."

He went on:

"Taken together, this means the tax relief was ridiculous and could not possibly be justified in terms of savings to the NHS".

Mr. Swayne: Does the hon. Gentleman agree that the most important testament is that of the voters? *[Laughter.]* May I therefore ask him whether he shared his enthusiasm for doing away with the tax relief with his voters in his election address, or whether he kept it from them, much as he did with his enthusiasm for doing away with mortgage tax relief?

Mr. Cranston: The hon. Gentleman does not seem to listen, quite apart from his inability to appreciate irony.

The hon. Member for Daventry made certain remarks about the aging population and the increasing demand on the health service that it would impose in coming years. There is certainly an element of truth in that.

The important reason why the Government have taken this measure is that it frees up money for other steps which will have an immediate impact on helping the elderly—especially, as my hon. Friend the Financial Secretary to the Treasury said, the reduction of VAT on fuel. On Second Reading, I gave some figures of the extent of fuel poverty. It is a serious problem, which causes very serious health problems among the elderly, and the Government have taken an immediate step on it.

In addition, as my hon. Friend the Financial Secretary to the Treasury said, this tax relief measure has been ineffective. It began in 1990. At that time, about 500,000 individuals took out private medical insurance. One estimate I have seen is that, in 1995, only 550,000 people took out private medical insurance; so there is little evidence that that relief has led to any significant increase in the purchase of private medical insurance.

Indeed, Mr. William Waldegrave, who is no longer in the House, following the voters' decision on 1 May—to take up a point raised earlier—argued at one point for the abolition of medical insurance premiums relief. He said that it had not increased take-up of private medical policies, and was expensive to administer. Conservative Members would benefit from sometimes taking into account what some of their former colleagues have said.

The expense of the measure has been referred to. According to the Red Book, it has cost about £560 million since its introduction in 1990. That is very significant. One reason why the cost has gone up is that insurance premiums for the elderly have gone up at three times the rate of those for everyone else. The removal of such an expensive measure will free up funds which, as I said, will more immediately benefit the elderly.

I oppose the amendment, and support the budgetary measure.

Mr. St. Aubyn: I welcome the comments by my hon. Friend the Member for Daventry (Mr. Boswell), because some of the points he raised—I hope the Financial Secretary will take them on board—will have a direct impact on Prime Health, a major health insurance firm based in Guildford, and on many elderly people in my constituency.

I estimate that more than 5,000 elderly people in the Guildford constituency currently enjoy the benefit of the tax relief. In the light of what the Financial Secretary said this afternoon, I am concerned that if—or rather when, for I fear it will happen—some of those 5,000 people cancel their health insurance policies, because the removal of the relief has increased the costs so much, they will at some point make a claim on our local health service. When that happens, the many will suffer as a result, not just the few. Everyone who wants to use the health service at the Royal Surrey hospital in Guildford will suffer.

[Mr. St. Aubyn]

It should be understood that one of the reasons for delaying the implementation of the clause is that private health insurance benefits the whole community, not just those who take it out. It benefits the whole community, because it relieves the national health service of costs that it would otherwise have to meet.

Kali Mountford (Colne Valley): What is your evidence for suggesting that all private medical insurance holders would be forced to use the national health service? I have had only one person in my constituency complain about the measure, on general grounds. What is your evidence to the contrary?

Mr. St. Aubyn: I assure the hon. Lady that I have considerable evidence to the contrary. I have received almost as many letters on this subject as on any other that has arisen in the past few months.

Many of those who have written to me have said that they fear that they will have to stop receiving the benefit of private health insurance. They will have to rely on the local health service, and, as a result, they will impose a burden on it that all will have to share, if the speculative savings from abolishing the tax relief are to be diverted into changing the rate of VAT on fuel. It is obvious that those parts of the country with the most people having health insurance will have the most cancellations. The damaging results of the measure will hit all the people in such areas, including my constituency.

The Secretary of State for Health said earlier today—I wrote down his words as he said them—that, if there is a harsh winter this year, he will take responsibility. I will remind him of those words this winter when people who have had private health insurance in my constituency can no longer afford it.

My hon. Friend the Member for Daventry raised three specific consequences of the measure, which his amendment would mitigate while the Government worked out the damaging results of rushing the measure through the House. Representatives of Prime Health in my constituency spoke to me at some length about the three points on Friday.

The provision on verbal contracts will affect the firm specifically. People live busy lives and like to conduct business on the telephone—I do not mean hard-pressure telephone selling, but straightforward, modern business conducted on the telephone. Prime Health has entered contracts with its customers, and it is concerned that those contracts that predate the 2 July cut-off date will not be covered by the transitional provisions in clause 17. I would welcome an assurance from the Financial Secretary that verbal contracts will be covered in the transitional arrangements.

5.15 pm

It is normal for annual policies to be renewed about a month ahead of the renewal date. By the cut-off point of 2 July, a month's worth of renewals had been contracted for between health insurers and their customers. By changing the rules and imposing a guillotine on the tax benefit, the Government will change those contracts after the event.

I ask the Minister to consider applying the old rules to such contracts, just as we apply the old rules and rates to property contracts that have been exchanged but not completed. That would be consistent with the conduct of the previous Government, and it should be the approach of this Government. If contracts have been exchanged, but the start date has not yet been reached, the provisional arrangements should allow for that situation. The wording of clause 17 is not clear, and I should be grateful if the Minister could clarify the point.

As my hon. Friend the Member for Daventry pointed out, more than half the business of some private health insurers will be affected if monthly contracts are not taken into account. Monthly contracts are a form of payment for health insurance over a year, and they have been specially approved by the Inland Revenue. Had the Government taken more time over the introduction of the measure, they could have spoken to the Inland Revenue and found out more about the situation before they made speculative and highly optimistic assumptions about the effects of the clause.

It is essential, in the interests of the Government's objectives, that monthly contracts fall within the transitional arrangements. If all the monthly contracts are denied relief from the end of this month, all the customers with such contracts will require consultations at once, instead of over the year as their contracts come up for renewal and the ending of the tax relief hits them. It is unrealistic to expect even Norwich Union, let alone any of the other insurers, to cope with half their customers at once calling to ask about less expensive insurance.

We can predict the consequences. Many of those people, because they will not receive adequate counselling, will take the only decision they can afford, and cancel their insurance contracts. As a result, the savings on which the Government's arguments are based will disappear in additional costs to the national health service.

The Financial Secretary has already pointed out that the measure will make a 25 per cent. saving. Only one in four of those currently enjoying the benefit of private health insurance will have to cancel for the Financial Secretary's entire calculations to be thrown out of the window.

We know that health insurance costs for the elderly have gone up by much more than inflation.

Mr. Derek Twigg (Halton): Does the hon. Gentleman recall a report in the *Financial Times* on 24 April 1997 that the chief executive of Western Provident Association, Julius Stainton, had told a recent conference that insurers had only themselves to blame for the Labour party's plans for abolition, as many had used the introduction of the tax relief as a cover for a sharp increase in premiums for the elderly.

Mr. St. Aubyn: The hon. Gentleman makes an interesting point. There is always a risk that a tax relief will be misused in some way. If that is the case, the Government should phase out the relief step by step over a number of years, and see what consequences that might have for the numbers involved.

Mr. Twigg *rose—*

Mr. St. Aubyn: Let me answer the question.

I understand from the industry that the real reason why costs have gone up is that, as private health insurance has become more popular, the industry has no longer been able to subsidise the cost of elderly patients by charging more than can be justified in commercial terms to younger patients.

Mr. Boswell: Does my hon. Friend agree that the costs in the national health service for provision for elderly patients have also risen sharply? To my recollection, when the age of 75 is reached, the annual cost to the public purse is about £1,300. It is not surprising that private medical insurance costs should have risen commensurately.

Mr. St. Aubyn: My hon. Friend makes a good point. Over the past seven years, many of those costs have risen. In a commercial world, the increase in the cost of health insurance for the elderly primarily reflects market forces, not any effect of the tax relief. Despite the increased cost, the number of elderly taking advantage of health insurance has risen. Without the relief, the number would have fallen, and the costs to the health service would have been very much higher.

Mr. Twigg: You cannot have it both ways. You said that, in that case, the Government should phase out the tax relief. Now you say that you agree that it should be phased out.

Mr. St. Aubyn: It would be extremely unwise to phase out the tax relief at all, but you would be much wiser to phase it out over a number of years than to cancel it halfway through this year. That is the point that I was making.

My general point is that the rush with which the change is being introduced shows a greed on the part of the Treasury for which all patients—those who are well off and those who are not—will suffer. More people will make demands on the health service, and that demand has not been budgeted for this year or beyond. We will all suffer as a result. The proposal is damaging to the many, not just the few.

Liz Blackman (Erewash): I begin by saying to Conservative Members that I am staggered that you have come to the House to talk about a relief that you implemented in 1990—

The Second Deputy Chairman of Ways and Means (Mr. Michael Lord): Order. Several hon. Members keep using the word "you". Will they please try to remember not to do that when they make their speeches? I know that it is difficult to do, and that everyone is new to it, but it helps enormously if I do not have to keep getting to my feet to interrupt hon. Members.

Liz Blackman: I apologise, Mr. Lord. I am staggered that Conservative Members who implemented the relief in 1990 and have had seven years to operate it should come with so little evidence and ask Labour Members to evaluate their measure. I want Conservative Members to reflect on that. Was no evaluation undertaken during that time? It seems incredible that the effect of the relief has not been analysed.

One of the factors that distinguish the Labour Government from the previous Government is their attitude to taxation—the way that we raise revenue to fund policy and to service debt. In that respect, we inherited a considerable legacy.

Taxation strategies are not neutral. Behind them are values and priorities of a particular political complexion. What is taxed, and how, reveals a Government's priorities. Whacking tax or VAT on fuel reflects a different set of values from those that underlie the proposal to remove the tax relief on medical insurance premiums.

It is essential that the principles are clearly spelled out, to give people a yardstick by which to judge us. Labour has made no bones about the principles that should underpin the taxation system that we impose. We aim to promote work, to encourage savings, to encourage investment and to demonstrate an element of fairness. Those are the principles by which we will be judged.

By fairness, we mean a broad-based system, under which no sector of the population is unfairly burdened or has an unfair advantage, and where taxation serves the majority, not the minority, and specifically avoids punishing the less well-off. The tax relief that we are discussing fails all those tests. It does not serve the majority. It gives an unfair advantage to the few. It falls unduly on the less well-off as taxpayers.

The Government are committed to the NHS, to which all taxpayers contribute and which is open to all. We showed that commitment in the Budget. The private health sector is part of the market economy. That is accepted by the Government. The market economy, in the private health sector, offers choice to a small number of people. What is desperately unfair is the expectation that the majority of taxpayers should fund that personal choice. It is a subsidy. I hope that I can use the word "you" in this context. The adage, "You pays your money and you takes your choice" is applicable.

It is interesting to note that the assisted places scheme is a similarly unfair tax. The same logic has applied to the abolition of that scheme.

The substantial funds would be far better used to reduce the VAT on fuel, as has been mentioned. That would have significant benefits for many people in this society, especially those on limited incomes. That is just.

By their own standards, the previous Government did not achieve what they had intended from the measure, which was to increase the uptake of private medical insurance. The Conservatives have no statistics of their own to demonstrate its impact. They failed by their own criteria, but, above all, they failed the test of fairness, which, under a Labour Government, is a significant test. That is why the relief will be abolished.

Mr. Nick Gibb (Bognor Regis and Littlehampton): This clause, and clause 19, which we shall debate later, make the Budget one that hurts pensioners. Pensioners suffer from an 11 per cent. devaluation of their pension funds from the ACT changes, and they suffer from the vindictive and envy-motivated decision to abolish tax relief on medical insurance for the over-60s.

The relief was introduced by the then Chancellor, Nigel Lawson, in his 1989 Budget as a way of encouraging people to take out or to keep on their private medical insurance in retirement. That, in turn, would help to relieve some of the burden on the NHS.

[Mr. Nick Gibb]

It is an entirely sensible policy to encourage people who can afford it, or who could afford it with a small tax incentive, to make their own provision for health care. It is especially sensible if it can be demonstrated, as I shall seek to do, that the cost of the tax relief is less than the savings that the NHS makes when the patients are treated at their own expense.

The Labour party seems to think that, if the articulate middle-class pensioners are "creamed off" by the private sector and are therefore no longer dependent on the NHS, the NHS itself will suffer because fewer people using it will be demanding a good service. The argument is that, if 600,000 articulate people stop using the NHS, it will cease to provide first-class clinical services. That is utter nonsense. It is the same argument that the Labour party uses against private education, and the Labour party is simply wrong.

5.30 pm

The existence of a strong private sector in both health and education provides a gold standard against which the state sector can compare itself and towards which it can seek to improve. Of course, that assumes that the private sector will provide a better service, which the Labour party does not necessarily accept.

Here we see the root of Labour's plan to abolish tax relief on private medical insurance—the old Labour insecurity about the private sector, old Labour's drive towards homogeneity and lack of choice. Thanks to 18 years of a Conservative Government who believed in free enterprise and choice, 5.7 million people now have private medical insurance—about 10 per cent. of the population.

As Labour Members have said, only about 5 per cent. of people over 60 have medical insurance—a proportion significantly lower than that in the population in general. The tax relief was introduced to encourage take-up in that section of the population. Although the Labour party claims that the introduction of the tax relief has not increased take-up among the over-60s, the facts state otherwise.

In 1989, there were about 400,000 individuals over 60 with private medical insurance. Today, there are 600,000. There are our statistics. That amounts to a 50 per cent. increase while the tax relief was being given. It is an especially high increase given that, in the same period—between 1990 and 1997—the total number of individuals covered by medical insurance dropped by 7 per cent. in the early 1990s and rose over the following seven years to broadly the 1990 level.

In other words, there was no overall increase in the number of people covered by medical insurance between 1990 and 1997, yet there was a 50 per cent. increase in the number of people over 60 who were covered. The over-60s now account for one third of all individuals with medical insurance, compared with only one quarter when the relief was introduced.

We should not be hearing Ministers and other Labour Members claiming that the tax relief had no effect on the numbers taking out private medical insurance. The facts state otherwise, and those who say that there has been no effect are simply wrong.

I shall now say something about the cost of abolition. The Red Book shows that the gross savings from the abolition of the tax relief would be £115 million in 1998-99 and £135 million in 1999–2000. The relief equates to more than £500 million of gross premiums.

According to the Association of British Insurers, the overall claims ratio for that age group—the cost of claims expressed as a percentage of premiums—is about 80 per cent. That means that £500 million in gross premiums represents £400 million—worth of medical treatment. The insurance industry has estimated that abolition of relief, which will increase premiums by about £25 a month, will result in one third of the over-60s with insurance terminating their policies and becoming reliant on the NHS. That corresponds to £133 million—worth of extra medical care, which the NHS will have to find as a result of the abolition of the relief. That compares with a saving of only £115 million.

It is absurd for the Financial Secretary to the Treasury to dispute those figures on the basis of a marketing advertisement in *The Times*. I hope the Government are basing their statistical analysis on more than that. Their figures do not add up.

There is worse. As my hon. Friend the Member for Eastbourne (Mr. Waterson) pointed out in an Adjournment debate on 16 June, there will be a domino effect if 200,000 people cancel their policies. As the number of private medical insurance policyholders decreases, an additional burden will fall on those who remain. That means higher premiums for them. Thus, more people will be priced out of insurance and become reliant on the NHS.

When one considers that the types of medical treatment most likely to be required under the private insurance contracts are hip replacements, cataract removals and knee joint replacements—operations which are already stretching the NHS to breaking point—one realises how absurdly the Government are acting in abolishing the relief. People who need hip replacements and new knee joints suffer much discomfort and pain, and the Government's policy will mean longer waiting lists for those procedures in the NHS. That shows how mean-spirited is the Government's abolition of the relief.

I have received many letters from retired people in Bognor Regis and Littlehampton asking me to urge the Government not to abolish that much needed and sensible tax relief. On their behalf, I urge the Government to drop their proposal, and I urge right hon. and hon. Members on both sides of the Committee to vote for the amendment and against clause 17.

Jacqui Smith (Redditch): I oppose the amendment because it is designed to put off the implementation of an important measure in our Budget. I cannot understand why Conservative Members are so keen to keep a measure which clearly has not worked, even in their own terms. It has fulfilled neither the Opposition's aims nor ours.

Let us talk about the Opposition's aims first. The hon. Member for Daventry (Mr. Boswell) has used similar arguments to those used yesterday, when the Opposition said that mortgage interest relief at source promoted home ownership. I disagreed with him at the time.

Today, the argument is that we should keep private medical insurance because it promotes the practice of older people taking out private insurance—

Mr. Boswell: The hon. Lady said that she disagreed with the proposition that MIRAS promoted home ownership. Does she therefore feel that it should be abolished altogether?

Jacqui Smith: My argument yesterday was that the decision in the Budget on MIRAS was right, because MIRAS does not promote home ownership, and that the money saved by the Government's current proposal on MIRAS could be put to better uses.

The Conservatives' argument presumably is that the tax relief promotes the take-up of private medical insurance by older people. Incidentally, it seems strange to argue that the only way to save the NHS is by persuading as many people as possible not to use it. That says something about Conservative Members' attitude to our national health service, which Labour Members believe should be available to everyone who needs it.

Private medical insurance relief has not achieved what the Opposition want it to achieve. Despite the fact that it has cost £560 million since April 1990, there is little, if any, evidence of an increase in take-up of private medical insurance among the over-60s. In fact, I would argue that those receiving it would have taken out private medical insurance in any case. That seems to be the suggestion from the fact that when an extra incentive is given people in large numbers do not take out more insurance. There is no reason to believe that scrapping the relief will cause a flood of elderly people returning to the NHS. The amendment does not stand up.

The relief has failed even in Conservative terms—the previous Government recognised that when they reduced it at the higher level—and it certainly does not achieve what the Government want. It subsidises the few who can already afford private health insurance.

I am sure that all hon. Members were interested to hear about the mother of the hon. Member for Daventry; I am extremely pleased that she can afford private health care. My mother is not yet 60, so she would not have qualified for the relief in any case, but my dad is; he does not have private medical insurance, but, through his taxes, he subsidises that of the hon. Gentleman's mother. I have no animosity towards her, but I feel that it is slightly unfair that my dad should have to subsidise her private choice through taxation.

Mr. Boswell: As the hon. Lady has been kind enough to refer to my mother, does she recognise the inequity of the position whereby my mother's private health tax relief will be withdrawn to support my expenditure on heating oil in a somewhat larger house than hers?

Jacqui Smith: It may be my fault, but I do not quite follow the logic of that. My argument about inequity was that, at the moment, the taxpayer is subsidising private choices.

The relief shows the same defeatist attitude towards public service that my hon. Friend the Member for Erewash (Liz Blackman) pointed out in the case of the previous Government's attitude to the assisted places scheme. Have our public services really got to the state where, to keep them going, we need to bribe people with taxpayers' money not to use them? Conservative Members clearly think that we have to bribe people out of the state education system and the national health service.

If that is so, it is because of the effect of 18 years of Conservative government on our schools and hospitals. We should not accept that as a fait accompli: we should consider ways of improving those facilities so that we no longer have to ask taxpayers to fund people opting out of public services.

Unlike the hon. Members for Guildford (Mr. St. Aubyn) and for Bognor Regis and Littlehampton (Mr. Gibb), I do not have people queuing up at my surgery and begging me to maintain the tax relief. I met an elderly man last week who had already waited 18 months for a knee operation and did not have private health insurance.

Mr. Swayne: Will the gentleman's condition be assisted by additions to the queue owing to people having to give up their private health insurance?

Jacqui Smith: There is no evidence that the relief has increased the number of people taking out private medical insurance, and I therefore believe that there is no reason to suppose that its removal will cause people to flood back into the NHS.

Mr. Gibb: The hon. Lady cannot have been listening when I pointed out that, in 1990, there were 400,000 people over the age of 60 with private medical insurance and that, by 1996, the number had increased to 600,000. Those are the statistics that are needed. Why was not the hon. Lady listening?

5.45 pm

Jacqui Smith: If the relief was so effective, why did the previous Government lose faith in it and take it away at the higher rate?

Older people who come to see me say not that they want the tax relief to be maintained but that the health service should be able to deal with their needs as they arise. Most of those people are not in the fortunate position of so many people in the constituency of the hon. Member for Guildford and cannot afford private medical insurance, even with the relief that was previously offered, and they understand that in an emergency they will be protected not by private health care schemes but by a properly supported national health service.

It is depressing for Labour Members to see the crocodile tears shed by the hon. Members for Daventry and for Guildford on the subject of health care for the elderly. Yes, those older people have contributed throughout their lives: they have done so through taxation and national insurance, to ensure that they have a health service that looks after them properly in their old age. That is why I welcome my right hon. Friend the Chancellor's announcement of an extra £1.2 billion for health care.

The Budget clearly shows the different priorities of the Government and the Opposition. What does the amendment say about the Opposition's priorities, and what does the proposal to remove private medical insurance relief say about ours? It shows that we are honouring the pledge made in our manifesto—and in my election literature—that our taxation system would be fair.

[Jacqui Smith]

Conservative Members suggested yesterday that, somehow or other, they lost the general election because the public had misunderstood our tax plans. I believe that it was because the Conservatives patronised people, as they did yesterday, and people felt betrayed and wanted a Government who were fair about taxation. People contrasted our promises on tax—to be fair, and to encourage work, saving and investment—with Conservative proposals and betrayals, and knew that we would spend their money wisely.

The Chancellor reiterated in the Budget what the money saved from scrapping the relief would be spent on. He said:

"The principle of fairness in taxation will guide all my Budget decisions."—[*Official Report*, 2 July 1997; Vol. 297, c. 312.]

That is why the £120 million saved in 1997-98 and the £140 million saved in 1999-2000 on the failed relief for private medical insurance will contribute to cutting value added tax on fuel—another important pledge in our manifesto.

As I suggested, that shows the clear distinction between our taxation values and those of the Opposition. While they are happy to maintain an expensive and ineffective relief on private medical insurance, we want to use that money to cut value added tax on fuel—the most unfair and regressive tax introduced by the previous Government.

In case some Opposition Members are keen to jump up with the environmental justifications, which was, perhaps, what the hon. Member for Daventry was referring to earlier—although, there is a certain irony in Opposition Members claiming those green credentials and I am not sure which Opposition Member believes that he is Swampy—there are many other ways in which the taxation system should be used to achieve environmental aims. Value added tax on fuel was one tax which gave green taxation a bad name.

The choice represented by the amendment is clear—the deferral of the positive proposal to get rid of private medical insurance and use the money to cut the unfair and regressive VAT on domestic fuel or the maintenance of private medical insurance, which is ineffective and benefits only a few people. For that reason, I oppose the amendment.

Mr. Swayne: The Treasury team has shown a remarkable assurance about the estimate for the consequences of this measure. Indeed, the Financial Secretary to the Treasury said that she thought that the demand for private medical assurance was perfectly inelastic. That assurance is misplaced. At the beginning of the week, on Monday, the Association of British Insurers wrote to me saying:

"The Association remains concerned that the Bill seeks to implement policy decisions with very complex implications with no prior consultation and allowing for only a very limited period of consideration of the Bill by Parliament. This could lead to measures proving unsatisfactory and needing amendment in a subsequent Finance Act."

My experience is that, far from being inelastic, the demand is—

Mr. Derek Twigg: On that point, an article in the *Financial Times* stated:

"PMI market analysts Laing and Buisson said that it believed these estimates were all incorrect. 'To date the market for PMI has been price inelastic; increases in price have not been met by proportionate big drops in demand. Coupled with that, the amount of a typical PMI premium is far higher than the cost to the NHS of the treatment covered. Taken together, this means the tax relief was ridiculous and could not possibly be justified in terms of the savings to the NHS' said director Mr. William Laing".

Mr. Laing makes a completely different point from that made by the hon. Gentleman on the elasticity of the market.

Mr. Swayne: I am not sure what the question was, but I will have a stab at answering it. It is very much the answer that I gave to another hon. Gentleman who has since departed from the Chamber. The best estimate of the elasticity of demand comes not from City scribblers, but from the voters. I represent a constituency with three hunts and yet, given my mailbag during the election campaign—

Mr. Jim Murphy (Eastwood): On a point of order, Mr. Martin. I understood that we were discussing amendments to the Finance Bill and not fox hunting. I would ask the hon. Member for New Forest, West (Mr. Swayne) to concentrate on the matter at hand.

The First Deputy Chairman of Ways and Means (Mr. Michael J. Martin): I am sure that the hon. Member for New Forest, West (Mr. Swayne) will get to the amendment in due course.

Mr. Swayne: I was trying to give some indication of the strength of feeling among my constituents. My mailbag on this measure has been greater than that I have received on hunting, which has been considerable. That is not surprising, since I represent those well-known retirement areas of Milford on Sea, Barton on Sea and New Milton.

That brings me to the nub of this mean-minded measure. What is extraordinary about it is the lack of consideration for elderly people and the retired. People who have retired are not as capable as those youthful Labour Members of adjusting their financial decisions relatively quickly. The elderly make long-term financial plans and commitments. The rug is being pulled from under the assumptions that they have made and the plans that they laid on retirement and beyond. It is a disgraceful and mean-minded measure. I support the amendment.

Kali Mountford: I cannot help but think of the many postbags that we have already discussed today. I must mention my postbag of one letter in support of the measures that the Opposition are discussing and the huge postbag and the many phone calls that I have received from elderly constituents, young constituents and people in poverty and difficulty—people who told me before the election, "If you don't do something about fuel costs, we'll never vote for you again." Is that not the nub of the matter?

Was it not absolutely right for my hon. Friend the Member for Erewash (Liz Blackman), in an outstanding speech, to point out the benefits of a taxation system being put together with social policy, which indicates the policies of the Government of the day? If ever a measure was more heralded than this Budget, I should like to know what it was. Opposition Members seem to suggest that my constituents had no knowledge of what was to be put before them. They know about it now, but I have still had only one letter in support of the measures that the Opposition are discussing.

Where are the measures? The hon. Member for Guildford (Mr. St. Aubyn) is not in his seat. He seemed to suggest that Opposition Members could have tabled amendments on phasing out the proposal on the relief on medical insurance for people over 60, but no such amendment has been tabled.

Mr. Boswell: Far be it from me to speak on behalf of my hon. Friend, but the timetable imposed under guillotine by the Government and the consideration of this Bill at such short notice after Second Reading, followed by a Committee stage on successive days, imposed severe strains both on practitioners who wanted to submit amendments for our consideration and on our being able to process and table amendments and have them considered. I have put the points to the Financial Secretary, and I am sure that she will do her best to answer them.

Kali Mountford: I am interested in that contribution, but the hon. Member for Guildford clearly had some measures in mind. Since our measures were well heralded long before the election—far earlier this year—they are no surprise to anyone. I should have expected the Opposition to be prepared if they felt the matter was so important.

Mr. Boswell: Were the measures in the hon. Lady's election manifesto?

Kali Mountford: Yes, they were. I will indulge the hon. Gentleman. I spoke in person to more than 1,000 people in my constituency on that very matter and, in particular, on VAT on fuel. I do not think that any of my constituents will have found the measure a surprise. Indeed, it is typical of this Government and my party to consult widely when any measure is introduced, so I do not need to go further on that point.

Mr. Peter Brooke (Cities of London and Westminster): Will the hon. Lady give way?

Kali Mountford: I will be indulgent.

Mr. Brooke: I am grateful to the hon. Lady for her indulgence. How much consultation has taken place on advance corporation tax?

Kali Mountford: I am interested that you want to broaden the debate.

The First Deputy Chairman: Order. The right hon. Member for Cities of London and Westminster (Mr. Brooke) may want to broaden the debate, but I do not.

Kali Mountford: I concur completely with your wisdom, Mr. Martin.

I shall share a short story with the Committee. I visited two of my constituents in January on an entirely different matter. These people had worked hard throughout their lives and had made savings, but they were having some difficulties. They showed me into their best room because they wanted to show themselves at their very best, and certainly provide me with a cup of tea. I became blue with cold in that room because they could not afford to put on their heating.

6 pm

Some while ago, I remembered a Conservative Member who used to represent Derbyshire, South advising people such as the two constituents to whom I have referred that they would do well to wear hats and silk underwear to keep warm. That was said at about the time when value added tax on fuel was introduced. That piece of advice has not benefited my constituents, but they will benefit from the ability to pay the fuel bills that are now causing them so many problems.

Conservative Members ask why a review has not taken place. At the same time, they do not support the reviews that we are conducting. Conservative Governments did not conduct a review and we have decided to repeal tax relief for medical insurance. We are following the trend set by the previous Government in relinquishing the higher tax benefit, so there is nothing new in our approach.

We are a Government who follow common sense. Surely it is common sense to say that we shall do what we promised before the general election, at the same time taking into account factors that the Conservative Government seem not to have considered. The cold temperatures in which my constituents live contribute to their illhealth, and that illhealth is a cost to the nation through the national health service. Many medical reports set out the consequences of cold weather, leading to the illhealth of the elderly and the very young, whom I care about deeply.

As I said, I have received one letter in support of retaining private medical insurance tax relief. That constituent did not state that he would be part of a great haemorrhage from private medical insurance schemes—indeed, quite the opposite.

We are saying that we shall fulfil our election promises in a thoughtful way. We shall give people time to take proper decisions for themselves. They will be able to make choices for themselves. The greatest benefit will go to those people who do not have a choice, such as the two constituents to whom I have referred.

The Government are saying, as I have always said, that there must be fairness in taxation. We must have an equitable taxation system and an egalitarian society that ensures that those in most need will receive benefit. Those who have the least needs should not receive benefits that they do not require.

Mr. Loughton: I cannot be alone in feeling that, whenever a Labour Member contributes to the debate, he or she succeeds only in tying the Government up in a knot. Earlier, the Financial Secretary accused me of some inconsistency. Perhaps she will consider the inconsistency that she introduced by claiming that there has not been a net increase in the numbers of pensioners taking advantage of tax relief on medical policies. If there has not been a large increase in those numbers over the past seven years, that suggests to me some contentment with the way in which the national health service has been run for most of the 18 years under a Conservative Administration.

Another inconsistency comes from those who suggest that the tax relief that the Government are seeking to claw back is worth more than the underlying treatment in the NHS for which patients will have to qualify. There is a

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further absurd inconsistency when it is suggested that there is no price elasticity. When it comes to mortgage interest relief at source, however, there is elasticity, because the Government have been using it as a way of cooling down the property market. These arguments do not add up.

I should disclose an interest as someone who has enjoyed a corporate BUPA subscription for some years, although I have never taken advantage of it. For many years, however, I have had to pay tax on it as a benefit in kind, and have been happy to do so. That has provided additional funds that can be used for patients using the NHS, as my family and I have done frequently.

It has become a cri de coeur or soundbite of the Government that they are a Government of the many, not of the few. It is a cliché that we hear time and time again. But this mean-minded measure is entirely consistent with the abolition of the assisted places scheme. There is no firm evidence that it will produce financial savings. No consideration was given to the future education of those children who are now enjoying assisted places. The Government will proceed, however, because it is politically correct so to do.

We shall have the same ordeal with country sports, but in the meantime the Government have decided to attack those pensioners who chose to spend their money as they thought fit on taking out their own private medical insurance, and in doing so took some pressure off the NHS, which we are constantly reminded is under pressure. That pressure is not denied, and in my constituency it is a key issue.

Let us remember that between 40 and 50 per cent. of expenditure in the NHS is directed to pensioners, who constitute just 16 per cent. of the population. That is happening because pensioners are a claims-intensive part of the community when it comes to spending in the NHS. They require longer stays in hospital, understandably. With further medical advances being made all the time, the situation will be compounded.

Many figures have been cited in the debate, and I shall add to them by saying that more than 400,000 private medical insurance contracts for pensioners have been taken out, involving more than 600,000 individuals. Many of the contracts are taken out for families.

Dawn Primarolo: Does the hon. Gentleman accept that the Inland Revenue's figures show that there were 375,000 such contracts in 1996–97, 25,000 more than in 1990, covering a maximum of another 50,000 people?

Mr. Loughton: I shall not argue the toss between 375,000 and 400,000. I think that my point was well made. Different figures have been presented by different Labour Members. I shall use figures that come from BUPA, which is the largest provider of private medical health care insurance cover for pensioners. It takes account of about 48 per cent. of the market. BUPA estimates that the average cost to pensioners is just under £1,200 a year, which amounts to just under £300 a year in terms of tax relief. The figures are almost double for married couples.

These are not small sums. They apply to people who have saved for many years. We are talking of those—certainly this applies in my constituency—who have cheaper premiums as elderly people because they were members of medical insurance schemes before they were pensioners, and have remained so all the way through. Now, all of a sudden, without so much as a by your leave, it is all to go. They will be faced with deciding—it will be a hard decision—whether they will be able to afford to keep their insurance. That is what we are talking about.

Kali Mountford: When some of my constituents suffer the degenerative illnesses to which we referred earlier and require a long stay in hospital, they often find that they are not covered by their private medical insurance. Have the hon. Gentleman's constituents had similar problems?

Mr. Loughton: Indeed, the hon. Lady makes a fair point. That is why in some insurance policies there is great leeway in the cover that one can purchase. That will not go away, regardless of how we pay for it. Those patients will have to be looked after at some stage, be it through private medical insurance and private health care or through the NHS. It makes no difference. If the hon. Lady is saying that there should be better regulation of the services provided under medical insurance cover, that is an entirely different point, and it is not proposed in the Budget. I shall return to my point and then deal with my constituency in particular.

BUPA has suggested a likely lapse rate of about 30 per cent., which would mean that 180,000 people would become reliant on the NHS. That probably translates to between 40,000 and 50,000 hospital episodes—when people have to go to hospital for treatment that they would previously have had under private medical insurance cover.

What will the impact be in my constituency? I said at the beginning that I should declare an interest. I should declare a further interest in that Worthing has the largest pensioner population in the country, [redacted] West Sussex has the highest density of pensioners with private medical insurance cover. The hon. Member for Colne Valley (Kali Mountford) may be interested to know that this measure impacts on my constituency one heck of a lot.

I do not want to trade numbers over mailbags, but this is a significant issue and it has come before me time and again, both before and after the election. I do not say that it has suddenly come out, but a very real fear has been put around. Perhaps that is why there was such a reduced swing against the Conservatives in my constituency—but I shall not press that point.

The people who have private medical insurance, particularly those in Worthing, are not rich. They are people who were previously on average earnings and are of average means. They live in modest bungalows, particularly those in parts of Worthing. In Worthing, more than 1,000 pensioners have private medical cover with BUPA. That is a lot of people, just in the borough of Worthing.

As my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb)—just up the coast from me—said, cataract and hip replacement operations are some of the most frequent treatments required by pensioners. The waiting list for those operations has gone up to 18 months and is worsening. [HON. MEMBERS: "Whose fault is that?"] We looked in the Budget for the great panacea that we were promised for all the ills of the national health service, but any additional money, which in any case

works out less than the additional money that the Conservative Government added last year, will not come into effect until next year.

The Government have done nothing about the crisis that may afflict the people of Worthing and other high-density pensioner populations this winter. It is entirely in the Government's hands and remit to decide whether to act now.

Mr. Jim Murphy: Will the hon. Gentleman give way?

Mr. Loughton: I should like to continue my point. I have given way several times.

I should also mention that elderly people have the least time available to wait, yet they are denied the opportunity to speed up their treatment by using money from their own savings, and must queue up with everybody else for the national health service. That will not improve. We know the demography of the population. We know that it is an aging population. At the moment, there are about 3.2 working people for every pensioner. In 30 years' time, there will be about 2.5 working people for every pensioner. The problem is getting worse.

The irony is, as my hon. Friend the Member for Bognor Regis and Littlehampton said earlier, that there is no material gain to the Government or the Exchequer in this measure. The cost of the tax relief has been estimated in the Red Book at about £115 million, or £120 million, as my hon. Friend said.

Mr. Murphy: Will the hon. Gentleman give way?

Mr. Loughton: I will now.

6.15 pm

Mr. Murphy: I understand that the hon. Gentleman has already declared a corporate interest in receiving the gift from BUPA for private medical insurance. Does he believe that it is correct, just and in the interests of the health service that the majority of pensioners in his constituency subsidise a very small minority who benefit from this relief? Indeed, does that not show that the Government are entirely right to remove it?

Mr. Loughton: The fact that the hon. Gentleman referred to corporate private health care as a gift underlines that he has got this thing entirely the wrong way up. It is not a gift; it is a condition of employment on which many people pay tax at the marginal rate, as it is a benefit in kind, and contribute a great deal to the Exchequer. The hon. Gentleman is not taking account of the fact that people who enjoy private health care as a result of putting their own money into it are saving the national health service funds that it would have to devote to them were they solely dependent on the NHS.

That brings me back to the point I made right at the beginning—obviously the hon. Member for Eastwood (Mr. Murphy) was not listening. The tax relief does not outweigh the cost of the NHS treatment that it is there to cover. The sums do not add up.

Mr. Murphy: Will the hon. Gentleman give way?

Mr. Loughton: I have already given way. I am repeating the point that I made earlier.

Mr. Murphy *rose—*

Mr. Loughton: I shall continue. No doubt the hon. Gentleman will want to come back for another stab at this later.

Not only is the cost to the NHS of extra patients likely to be in excess of £100 million, but those patients will add to the waiting list, so waiting times will be pushed up. There will be a further cost in the insurance premium tax, which is likely to lose just over £8 million to the Exchequer, and a further cost in the revenue through NHS pay beds, which will not now feed through from pensioners who use private health care insurance for their treatment—an estimated cost of up to another £20 million.

If all those figures are taken into account, certain people make a very credible case for how much the measure will cost the Exchequer, not only financially but in terms of the great misery that it will cause people who have saved hard and used their moneys as they saw fit: that rug has now been neatly pulled from beneath them. Yet Labour Members accuse Opposition Members of not making firm proposals. We have made some firm proposals, but Labour Members have ridden roughshod over suggestions to adapt the scheme. They have made no attempt to suggest how we might broaden the age band, if the Government are really determined to change the current tax relief. There has been no attempt to suggest that the tax relief rates should be reduced.

Mr. Murphy: Will the hon. Gentleman give way?

Mr. Loughton: I shall give the hon. Gentleman a chance.

Mr. Murphy: I thank the hon. Gentleman. I wish to raise a different point, as he has moved on. I understand that, in 1994, the previous Government brought about changes. Did the previous Government have consultations such as those identified in the amendments this evening, or did they simply ride roughshod over the opinion of the constituents whom the hon. Gentleman now represents? I would appreciate an answer.

Mr. Loughton: There is a considerable difference between adapting the rates of tax relief that are available—that has happened in many other contexts; we were talking about MIRAS yesterday—and, in one fell swoop, abandoning it altogether, with no prospect of its return under the present Government and no possibility of pensioners' being able to make up the amount from other sources. There is a heck of a lot of difference between a marginal change and abandoning tax relief altogether. I think that the hon. Gentleman knows that full well.

Mr. Murphy: Will the hon. Gentleman give way?

Mr. Loughton: May I continue?

The First Deputy Chairman: Order. The hon. Member for East Worthing and Shoreham (Mr. Loughton) is not going to give way.

Mr. Loughton: I detect in the hon. Member for Eastwood the qualities of a pretender to the throne of the architect of the endogenous growth theory, one Ed Balls. It seems that a missive has gone out from Mandelson

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towers to the effect that Balls-speak—or should I say "speak Balls"—is now the order of the day as far as new Labour is concerned.

Mr. Murphy: Will the hon. Gentleman give way?

Mr. Loughton: I shall be delighted to give way to the hon. Gentleman if we are to hear yet another version of what I have just alluded to.

Mr. Murphy: I only rise to speak when the hon. Gentleman's comments bear some comparison with the name of the colleague of mine whom he mentioned earlier—Mr. Balls.

Mr. Loughton: I am afraid that I am entirely lost. I shall continue with my speech before the entire Committee goes to sleep.

The Government have made no attempt to broaden the age bands. They have made no attempt to come up with a compromise in the form of a reduction in tax relief rates; we did that. They have made no attempt to phase out the current arrangements gradually. People are being left in the lurch as the Government introduce this measure by means of one of their familiar guillotines.

There have been further inconsistencies. The Government are prepared to subsidise false jobs—jobs that will no doubt turn out to be short term and ineffective—through the windfall tax, but they are not prepared to give a tax subsidy to those who are happy to put up the money themselves and, indeed, do the NHS a service by making their own arrangements. The measure will only exacerbate the problems of the NHS, while depriving people of choice and undermining their self-reliance and independence.

This is a mean, dogmatic measure. It is another case of cutting off the nose to spite the politically correct face, and—as I said at the outset—a further onslaught on minority interests. I firmly support the amendment.

Charlotte Atkins (Staffordshire, Moorlands): There are more than 15,000 pensioners in my constituency. That is a high proportion. I have had many meetings with those pensioners, and have received many letters from them; but only one couple have ever spoken or written to me about this issue.

What concerns pensioners in my constituency is having to eke out an existence on a pittance. A third of pensioners are on means-tested benefits; that is a legacy of the last Government. What concerns them is that the NHS should be there when they need it, but the last Government's market policies have helped to destroy the NHS. Pensioners also live in fear of losing their homes because they cannot meet the cost of their long-term care needs without giving up those homes.

Why is tax relief not the burning issue that Conservative Members suggest it is? Why is my postbag not bulging with letters? Why have I not been telephoned every day about this issue, both before and after the Budget? Is it because it was only relatively recently—in April 1990—that tax relief was given to both basic and higher-rate taxpayers? As some of my hon. Friends have pointed out, that did not last long: by April 1994, tax relief at the higher rate was withdrawn.

Does that constitute a ringing endorsement of the scheme by the former Government? I think not. Does it demonstrate serious reservations on their part? I think that it does. We are seeing crocodile tears.

Between 1990 and 1997, the number of contracts increased by only 25,000, from 350,000 to 375,000. The Financial Secretary gave those figures earlier. The number of people covered by the contracts increased by 50,000 at the most. That is an increase of just 10 per cent. The last Government stated that tax relief was intended to encourage the elderly to take up medical insurance, but the 10 per cent. increase signifies not success but failure in those terms.

The situation must be seen in the context of a national health service that was being run down—a national health service that was consumed by stories of agism featuring elderly people who could not get the operations that they needed, and were not considered worth treating. An atmosphere of fear was created. In such a climate, if the number of people covered by contracts increased by only 10 per cent., I do not think that that was down to tax relief. The fear that the NHS was incapable of providing care from the cradle to the grave became an increasing reality during the 18 years of Conservative rule—yet the figure increased by only 10 per cent.

That suggests that the cost of tax relief is largely dead weight, benefiting people who had already taken out medical insurance or who would have done so anyway, rather than those who were encouraged to do so by tax relief. I understand that the cost of the relief last year was £110 million, and that it will rise to £120 million in the next full financial year. That amount cannot be justified—as I have said, it is largely dead weight—when schools and the NHS are crying out for funds. If the elderly decide that they want to be treated privately, that is fine, but the state should not have to foot the bill.

I appreciate that, in opting out of the NHS, the elderly are exercising their right to choice, but many elderly people decide to go private. A number of hon. Members on both sides of the Committee have talked about their parents. I will talk about mine, and, in particular, about my mother. She paid for a hip replacement operation some three years ago. Because of the excruciating pain that she was experiencing, she managed to raise the money to go into a private hospital. She had to wait for well over a year, and, at the age of 81, faced the prospect of having to wait for a further two years. She therefore decided to raise the necessary funds as best she could, and to meet the bill herself.

My mother did not get any tax relief. She received no benefit from the state. She decided to pay the bill herself: that was her choice, and I applaud it. It was her decision, backed by her family. We could see that she was in pain, that she was confined to her home and that she could not enjoy life. She could not go out for the walks that she had enjoyed every day of her life, because she could not walk. She therefore decided to find the money for the operation, but there was no subsidy from the state. My mother had to make the choice between finding the money and suffering the pain, because the NHS had failed to provide the service that she needed.

No person, young or old, should have to make such a choice, but, unfortunately, 18 years of Tory government have forced people to make that choice. My mother was lucky—she was able to raise the money with the help

of her family—but, because of the parlous state of our national health service, she had to be treated privately. We should ensure that the state does not subsidise people who opt for private medical insurance. The money should be spent on the NHS, on schools and on services from which we know that everyone will benefit, not just on people who can afford to pay.

Mr. Peter Brooke (Cities of London and Westminster): As you, Mr. Martin, have particular occasion to know, I sat here throughout the windfall tax debate yesterday hoping to speak on behalf of the City of London. I make no criticism of the fact that I was not called, and I know that you did your level best to ensure that I would be called. I mention it merely to make the point to new Members that one can just as easily be asked to sit through the whole of a debate and still fail to make a constituency speech when one has been in the House 20 years as after being here 20 days, 20 weeks or 20 months.

I apologise to my hon. Friend the Member for Daventry (Mr. Boswell) for not having been present when he opened the debate. I do not know whether he alluded to the fact that, like the MIRAS proposal, this measure was not in the Labour party manifesto. I am sure that it is pure coincidence that the measures directly relating to tax on individuals slipped out of the manifesto.

6.30 pm

I am over 60 and I do not have any private health insurance. I represent an inner-city seat, and it is a commonplace that such seats have a greater proportion of elderly people than do the generality of seats: that is certainly true of my constituency. The health service reforms were substantially directed to demography and to the growing numbers of the elderly. We have had a long debate in London on the availability and supply of hospital beds. Professor Jarman of St. Mary's hospital in my constituency has made a series of notable contributions to that debate, and I am delighted that he has been put on the Secretary of State's panel reviewing the position with regard to London hospitals.

You will rule me out of order, Mr. Martin, if I go on too long about long-term issues of the national health service in inner London. The resource allocation working party was established by a Labour Government, supported by the Liberal Democrats at the time of the Lib-Lab pact and endorsed by the Conservative Government in 1979. One of the consequences of RAWP was the serial closures of hospitals in London. There was bipartisan agreement for resources deliberately to be moved out of inner London to other sites across the country. Charing Cross and St. George's hospitals in my constituency had already been closed.

Dawn Primarolo: I agree with the right hon. Gentleman about Professor Jarman's contribution. The right hon. Gentleman also referred to RAWP and the health authority funding formula. Does he accept that the problem of draining money out of London resulted from the Tomlinson report, which was commissioned by the Conservative Government?

Mr. Brooke: I apologise to the Financial Secretary, but I do not agree with her. Westminster hospital in my constituency closed and moved its services to the new Chelsea and Westminister hospital at the end of the 1980s. The decision to merge the Middlesex hospital with University College hospital was taken well before the Tomlinson report. The Tomlinson report was responsible for the closure of St. Bartholomew's, and I shall come to that in a moment. There is a separate point about NHS accounting, which causes people in inner cities to subsidise the rest of the country twice, but that is by the by.

We are already in difficulty, because 30,000 of the 300,000 people in the Bart's catchment area are seriously disadvantaged by the move. That area covers my constituency, the constituency of the Secretary of State for what I will now call the Department of Culture, Media and Sport and the constituency of the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore). Elderly people went to live in the Barbican because of the NHS services available there, so their anger at the closure of Bart's was understandable. I acknowledge that that decision was made by a Conservative Government, so their anger was partly vented on me. The problem has been exacerbated by the present unsatisfactory alternative arrangements.

I draw attention to the straitened circumstances of the NHS in London. I am joined in that by London Labour Members, who have applauded the review that the Secretary of State for Health is undertaking. London is not well placed to absorb further strains. The establishment of a panel has been welcomed, and I can remember debates before the election in which London Labour Members called for a moratorium on hospital closures and an end to the practice of withdrawing hospital beds from London.

I acknowledge my ignorance, because I do not know how many of my elderly constituents who have private medical insurance—obviously, there are some—will transfer out of their present arrangements as a result of the proposed tax change. I have an 80-year-old constituent whose gross premium for himself and his wife is £3,105.46, with tax relief of £714.21.

The Financial Secretary said that the cut in VAT on fuel would benefit pensioners. I know that she knows that pensioners were, in fact, compensated for the original VAT on fuel, and I acknowledge that the cut in VAT will make a difference at the margin. If that is so, it must also follow that pensioners who have private medical insurance may also be affected at the margin if sums of some £60 a month are involved.

In her opening remarks in reply to my hon. Friend the Member for Daventry, the Financial Secretary said that the Opposition had had a good try. Imitation is the sincerest form of flattery. The Opposition have had long cause in the two months since the election to note the Government's enthusiasm for reviews in every possible direction.

Given the present problems of the national health service in London, I fear for all my constituents and not just for those who have private insurance, because we do not know whether the system can take the strain of patients transferring over. Like the hon. Member for Redditch (Jacqui Smith), I have constituents who have been waiting 18 months for operations. I am concerned about how many of those who do not have medical

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insurance will be adversely affected by the extra demand that this measure will create if the amendment is not carried.

Mr. Jim Murphy: I am pleased to follow the right hon. Member for Cities of London and Westminster (Mr. Brooke). I have considerable respect for him and for his contribution in varied areas of government over many years. I enjoyed the informative nature of his speech and his analysis of London's health service. I want to direct my points primarily to the amendments, so I shall not respond to the specifics of the London health service, of which I do not claim to be a specialist. However, I shall talk about the plight and aspirations of Scotland's pensioners, who will be affected by the Budget.

The Government's plans on private medical insurance have been strongly welcomed by Age Concern Scotland and the Scottish Pensioners Forum, who speak on behalf of approximately 600,000 pensioners in Scotland. More particularly, I am certain that the more than 14,000 pensioners of Eastwood will strongly support the proposals in the Finance Bill. I have not yet received any communication or telephone call giving a negative view of our plans for private medical insurance. I shall not pre-empt what may happen this weekend, when I shall have eight separate advice surgeries, but thus far none of my constituents has criticised our plans—quite the contrary.

The Government's plans to reform the health service to ensure that more people have access to quality health care have been strongly welcomed. I am certain that today's announcement on GP fundholding will be mentioned in my constituency surgeries over the weekend. Labour is trusted on the health service, which is why the Opposition's genuine concerns will not be understood or felt by the constituents of Eastwood.

The announcement in the Budget was not a surprise, whatever Conservative Members may say. In 1989, the Chancellor—then shadow Chief Secretary to the Treasury—announced that Labour would introduce this measure if we were in government. More recently, in 1996 no less, the current Chief Secretary to the Treasury stated that we would reduce VAT on domestic heating to the lowest legal minimum threshold, and reduce the subsidies for private medical insurance. That was less than a year ago, and the assertion that it was not well known in advance shows a misunderstanding of what the Government are trying to achieve.

For two reasons, the proposal did not come as a surprise. First, the Chancellor said in his Budget speech that the arrangement had not worked and was still failing. It did not encourage widespread take-up of private medical insurance, although I understand that the Conservative Government introduced measures to try to increase the take-up, which had fallen throughout the 1980s. I understand that the measures in 1989 and 1990 were intended to bring some dynamism into the market for private medical insurance.

The second reason for introducing our measures relates to VAT on domestic fuel, and our approach should be compared with that of the Conservative Government. As I have said, their approach to the matter caused significant surprise. On 6 April 1994, they introduced changes to private medical insurance relief. It is incredible that Opposition Members have the audacity to demand of the new Government that which they did not have the confidence to present to Parliament when they were in government.

Mr. Boswell: Will the hon. Gentleman give way?

Mr. Murphy: I will give way later. The hon. Gentleman has the old hand's technique of coming to the Dispatch Box and asking to be allowed to intervene. I would be more responsive if the hon. Gentleman did not shout as he was approaching the Dispatch Box.

Mr. St. Aubyn *rose—*

Mr. Murphy: I will give way to the hon. Gentleman on the Back Bench.

Mr. St. Aubyn: I am sorry that my hon. Friend the Member for Daventry (Mr. Boswell) fills the hon. Gentleman with such fear.

How will pensioners in the hon. Gentleman's constituency benefit when any cut in energy costs will be reflected by state benefit adjustments in the following years? Pensioners in his constituency will have to give up their private health insurance and increase the waiting lists, but no account is taken of that in the Government's proposals. Pensioners will suffer. Indirectly, they will lose because of the abolition of the tax relief and they will gain nothing from the reduction in VAT on fuel.

Mr. Murphy: Unlike the hon. Gentleman, I shall respond to questions. During his speech, he refused point blank to comment directly on questions that were put to him. He spoke of my refusal to allow the hon. Member for Daventry (Mr. Boswell) to intervene. I have spoken three times in the Chamber and I have been interrupted on two or three occasions by that hon. Gentleman. The experience filled me with many things, but fear was not one of them.

The hon. Member for Guildford (Mr. St. Aubyn) spoke about waiting lists. As I understand it, the vast majority of those who are currently on private medical insurance had taken it out before tax relief was introduced. People are scaremongering by saying that, as a consequence of the Government's change, people will move to the national health service. People may be tempted to do that because the NHS will be safe in the Labour Government's hands and they did not believe that it was safe under the Conservatives, but there is no independent evidence to show that people on private medical insurance will seek service in the NHS.

Mr. St. Aubyn *rose—*

Mr. Murphy: The hon. Gentleman should allow me to complete my answer to his first question before rising to ask another one.

The hon. Gentleman asked how my constituents feel about subsidies. My constituents, especially pensioners, have a strong sense of what is right and what is wrong. They strongly object to the fact that every one of them paid a subsidy into the coffers of BUPA and many other private medical insurance companies and received little or

nothing in return. Because of underfunding and the mistreatment of our health service, more and more people were encouraged to take out private insurance. There was an unfair subsidy paid by the many for the few.

Mr. St. Aubyn: As the hon. Gentleman thinks that I did not answer his questions when I spoke earlier, I doubt whether he will understand what I have to say this time. The Government's proposals will indirectly reduce health spending and put the money into other areas. Anyone who is concerned about health spending must realise that Government support will fall and money will be redirected. That will damage the interests of everyone who relies on health provision.

6.45 pm

Mr. Murphy: The hon. Gentleman's conversion to the interests of the national health service is illuminating, if a bit late. The Conservative attitude towards the NHS and the way in which it was not considered safe in their hands are two of the major reasons why we are in Government and why I have the privilege to serve the people of Eastwood. The hon. Gentleman alludes to concern about the treatment of the NHS and its funding. He has not read carefully the contents of Budget and health service pronouncements. The Chancellor in his Budget speech and other Ministers have clearly said that the health service is one of our priorities and that there is new money for it.

We should like to reach a situation in which there is no fertile ground for scaremongering and in which BUPA and others are not able to scare pensioners and others into a private system at the expense of the public system. I have given way twice to the hon. Gentleman and tried to answer his questions. He may not like the answers, but that is because we were elected on different manifestos and it would be hard to reconcile our aspirations.

Initially, BUPA and other private companies expressed some concern about the effects of our proposed changes. Those companies were aware of the changes because they commented on them before the election. If they were aware of the changes, it is strange that Opposition Members suggest that they were a surprise. The Opposition's attitude is directly parallel with their attitude to our welfare-to-work programme, which tries to enhance the opportunities for the many using the finances of the few.

As I said on Second Reading, the Opposition seem keener to protect the profits of the privatised utilities than are the utilities themselves. The direct parallel to that attitude is that Opposition Members seem keener to protect the interests of the private medical insurance companies than are the insurance companies. David Bryant is a senior representative of BUPA. As I have said, BUPA initially engaged in much scaremongering. It talked about the impact of our proposals on the NHS and said that tens of thousands or hundreds of thousands of people would move out of private medical insurance and into the NHS.

However, BUPA has revisited its analysis in a way that Conservative Members have thus far refused to do. David Bryant has said:

"There are always ways that increases can be alleviated."

He believes, and BUPA seems to believe, that there are ways in which any difficulty can be alleviated. I do not claim to be a specialist on BUPA's finances, but I found out from the House of Commons Library that last year BUPA's operating profits went up by 7 per cent and that its reserves rose by 13 per cent. to a total of £638 million.

Like other hon. Members, I do not object to the fact that such companies exist and operate in a private market. What I object to is a system whereby a majority of the pensioners of Eastwood had to subsidise the minority to support the profits of BUPA and others. If BUPA's profits are affected as a consequence of our investing in and reorienting towards a public health service, David Bryant and others will, I am sure, understand our reasons for doing so. It is not the existence of these companies or of private medical insurance that I object to: it is the fact that the majority are being asked to subsidise the minority.

Mr. Boswell: This has been a revealing debate. I have been struck by the consistency of Labour Members in referring, without exception, to their passionate concerns about the public service. There is no doubt that their ability to project that to the electorate has probably put them where they are. However, there are some Conservative Members who share those concerns. Equally, some of us are concerned—even in our own long-term interests—that Labour Members may not have spotted that concern for the public service without an understanding of the means to improve it or to generate resources for it is likely to lead to disillusion, disappointment and electoral disaster in the long term. If they pump up people's expectations and then let them down, that is a sad fraud on the electorate.

Labour Members have suggested that the right hon. Nigel Lawson did not do much analysis in introducing the measures in 1990. Of course, there can be no substitute for experience. We now have seven years, analysis of the tax. We have the annual series. We also have substantive work from the Economists Advisory Group, to which I have referred extensively and which the Government should consider and respond to.

The next point shows the difference in philosophy between the two parties. If the hon. Member for Eastwood (Mr. Murphy) had allowed me to intervene, I would have said that there is a distinction between introducing a benefit that is given by tax relief and helps quite a large group of people, and withdrawing that benefit for some nugatory and speculative advantage for the NHS as a whole.

If the Opposition could show a real benefit to the NHS from these proposals, they might be in business, but I do not believe that they can—and the Chancellor does not believe it either, because he has assigned the money that he is saving from this measure to the reduction of VAT on fuel.

Mr. Murphy: Will the hon. Gentleman give way?

Mr. Boswell: I will do so once.

Mr. Murphy: I thank the hon. Gentleman, and this is the only intervention that I plan to make. He has suggested that there is no identifiable benefit to the health service from our plans. Will he comment on the benefits to the health service of the changes that the Conservative Government brought about in 1994?

Mr. Boswell: What I do know, and we are discussing and debating the current proposals of the Chancellor,

[Mr. Boswell]

is that, whatever happens, the plans will throw more patients back on to the NHS without providing a single extra resource for it.

Perhaps I may continue with my remarks, which I have been anxious to curtail because we have had an interesting debate. In conversation with me, one of my colleagues—a former Treasury Minister, although wild horses would not extract the name from me—once described his experience as a Treasury Minister as the best postgraduate education in town. The Financial Secretary is coming on in a couple of respects. First, she is learning Trappism: if she does not say anything or respond to the debate, I suppose that she cannot upset anyone, which may in her terms be an advance. Secondly, along the way, she has learnt the meaning of dead weight: the whole substance of the argument of Labour Members, including the Financial Secretary in her short contribution, has been that there is some dead-weight cost—that the abolition of the relief will be cost-free, with no repercussive effects.

My hon. Friends and I mentioned some specific points and I said to the Financial Secretary that there was no absolute need to reply tonight, but they remain substantial and I hope that she will reflect on them.

Dawn Primarolo: Did the hon. Gentleman read the explanatory notes on clauses? If so, he will have noticed that his questions with regard to contracts—including whether contracts entered into before 2 July would be honoured—are covered in the notes. The transitional proposals to cover those people are also detailed in the notes, as is a point that another Conservative Member made about a verbal contract and the honouring of contracts. If the hon. Member for Daventry (Mr. Boswell) had read the papers, he would know the answers to his questions.

Mr. Boswell: With the greatest respect to the hon. Lady, that is not a sufficient answer. I have posed some specific points, which she has not replied to in terms. The whole purpose of a Committee debate is for the Opposition and other Members to seek elucidation of the points. The hon. Lady may feel that she has given me those assurances, and I will look again at the notes on clauses to find out whether they are sufficient, but I do not believe that they are.

I will concede to the Financial Secretary that some policyholders will probably maintain their health insurance, regardless of the withdrawal of tax relief, if at the same time she will concede to me that some policyholders are likely to end their health insurance because of the withdrawal of that relief. The issue between us is the extent to which the measure will have real effect and the extent to which the NHS will face further pressures from the people who throw in the towel. That is why our amendment argues for a longer and more detailed analysis of the matter.

Treasury Ministers have been unable to offer that analysis. They did not submit it in the Red Book. They did not even get the figures right in the Red Book—they are entirely different from the number of people who are covered by private medical insurance. There is also a difference of opinion or doubt about the net costs of the measures. I instanced to the Financial Secretary some of our concerns: the return of policyholders to the NHS; the likely impact on resources for the NHS; the impact of the withdrawal of insurance premium tax; the loss of fee revenue from NHS beds.

In the absence of a clear Government outline of the effects, I am drawn back to what seems an authoritative and sober analysis by an independent agency—the Economists Advisory Group, of which I know the Financial Secretary is aware. That analysis showed that the measures could produce not savings, but net losses. I am not certain of that, but the EAG concludes that when the factors to which I have referred are taken into account the total extra costs of the measures could be 9.1 per cent. above the expected net savings. I am sure that the Financial Secretary does not intend that and that the Treasury does not wish it. I hope that it will not happen, but I do not have the information to refute it.

I am not arguing that Labour Members are not committed to the public services or that they would not wish to improve them, but it would be the greatest irony and it would disappoint them and their constituents if, after all this effort and after the damage to the livelihoods of the some 500,000 people who benefit from private health insurance, there were no savings at all, even possibly net costs, and no great benefit—no benefit that will sustain the NHS for more than the twinkling of an eye and no extra resources to cope with any additional waiting lists.

In those circumstances, we should press for further analysis before casting the 600,000 policy holders on to the tender mercies of the Chancellor. I advise the Government to reflect on the impact of their measures for longer and in more detail than they have done so far, and to withdraw them.

In that spirit, I invite my right hon. and hon. Friends to support the amendment.

Amendment negatived.

It being Seven o'clock, THE CHAIRMAN *put the remaining Question required by the Order [14 July] to be put at that hour.*

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 332, Noes 181.

Division No. 59] **[7 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Christine
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*

Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony *(Putney)*
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Cunningham, Rt Hon Dr John *(Copeland)*
Cunningham, Ms Roseanna *(Perth)*
Curtis–Thomas, Mrs Claire
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Dewar, Rt Hon Donald
Donohoe, Brian H
Doran, Frank
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Meale, Alan
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Salter, Martin
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
Welsh, Andrew
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Wigley, Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Wise, Audrey
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. David Clelland and
Mr. Jim Dowd.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard *(Sheffld Hallam)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Mrs Jackie
Beggs, Roy *(E Antrim)*
Beith, Rt Hon A J
Bercow, John
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Butterfill, John
Cable, Dr Vincent
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davies, Quentin *(Grantham)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gillan, Mrs Cheryl
Goodlad, Rt Hon Alastair
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(N Essex)*
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
Maclennan, Robert
McLoughlin, Patrick
Major, Rt Hon John
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paisley, Rev Ian
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Rt Hon John D *(Strangford)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thompson, William
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Professor Steve
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willis, Phil
Wilshire, David
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Malcolm Moss and
Mr. James Cran.

Question accordingly agreed to.

Clause 15 ordered to stand part of the Bill.

Clause 19

PENSION FUNDS NO LONGER ENTITLED TO PAYMENT OF TAX CREDITS

7.15 pm

Dr. Cable: I beg to move amendment No. 15, in page 12, line 41, leave out from 'section' to end of line 42 and insert

'shall not take effect until Her Majesty's Government has published an assessment of the effects of this section on local authority finance for 1997–98, 1998–99, 1999–2000 and 2000–01.'.

The background to amendment No. 15 is our general concern about the Budget's advance corporation tax reforms. Because of anomalies and distortions, there is a good case for tax reform in this sphere. It has become clear in the very short time that has been made available to us that many of the anomalies that arise from the reforms have not been properly thought about. The specific matter that our amendment is meant to highlight is the impact the ACT reforms will have on local government. They will result not in a saving to the public sector but in a shuffling of resources within the public sector.

The reforms will affect a large part of the public sector. About 10 per cent. of the asset value of pension funds under management is accounted for by local authorities, so a large chunk of the pension industry and a very large number of people are affected. About 1.25 million people are paying into local authority pension funds and about 1.6 million people are local authority pension fund pensioners.

We are considering pension funds that are in a state of financial crisis, a large part of which was caused by the actions of the previous Government. Local authority pension funds were allowed to reduce their funding requirements from 100 per cent. to 75 per cent. Such a reduction in the private sector would have been excoriated as highly unethical. None the less, local authorities were encouraged to take that action to reduce poll tax bills. Consequently, many local authority pension funds are in dire financial trouble, which must be repaired.

Furthermore, local authority pension funds now have an additional cost to bear of about £300 million. The Local Government Association provided that estimate and, as it is Labour-dominated, one might assume that the figure is not over-estimated. Where will that additional money be found? How will it be paid for? Full understanding of the matter will not be possible until next March when, according to an answer provided by the Minister for London and Construction to a parliamentary question, an actuarial review is due. By next March or April, therefore, we should have a proper understanding of the state of local authority pension funds after the changes.

Our concern is that the Bill is being rushed through before those implications are properly spelt out. Logically, we can think of various consequences, one of which is that the burden will be borne in reduced benefits by local authority pensioners. Another possibility is that services will be cut to top up pension funds. Another is that the burden will be borne fully by the council tax. One estimate is that council tax might have to rise by, on average, 10 to 20 per cent. to make good the deficit.

As the Government have insisted on capping, it is very likely that local authorities will have to choose painful options. The context in which the very difficult decisions have to be made is that local authorities are, as we know, facing great financial difficulties. Many Labour Members come from local authorities under Labour control and have had responsibility for managing them. They therefore know the difficulties.

We estimate that there will be a real cut in local authority budgets of about 1 or 2 per cent. next year. As a result of questions put to the House of Commons Library, we have established that the impact of higher rates of inflation will be to take out of central Government support for local authorities about £570 million this year and double that next year. The Audit Commission report published this morning referred to a gap of about £5 billion in local authority capital spending; so the £300 million, which is the extra damage being inflicted on local authority pension funds, comes on top of considerable difficulties.

We appeal to the Government to give us a clear understanding of what the burden will be and how it will be paid for. Also, we want to hear that local authorities will be recompensed for the additional burden they will have to bear. I commend the amendment to the Committee.

Mr. John MacGregor (South Norfolk): I support the amendment. I know that the Committee wants to make progress, so I shall be brief.

I was so concerned about this part of the Budget proposals—as I am about all of those that affect pension funds and ACT—that I got in touch with the chief executive of Norfolk county council straight away. He informed me that, although it is a bit early for the council to be absolutely sure and that he hoped to have an actuarial view in the early autumn, his current assessment is that the change will require an additional contribution of £5 million a year from the county council for one pension fund alone to meet the extra bill for county council employees. That would be the current employer's contribution rate.

In accordance with the relevant regulations, the next effective date for increased contributions is April 1999. That seems to reinforce the point made by the hon. Member for Twickenham (Dr. Cable). There is great concern about what will happen in 1999 and what the effect will be by then of having to meet extra contributions earlier. County councils have very real concerns, and it is likely that the additional cost will have to be met from increases in council tax. It is therefore important to sort the matter out now so that county councils, local authorities and others know where they stand. I strongly support the amendment.

Mr. David Heathcoat-Amory (Wells): I support the amendment. There is no doubt that all local authorities with funded pension schemes have faced an immediate and large cut in their pension fund income. That started from the actual date of the Budget, so it is already happening. The size of the cut is open to dispute, but it certainly amounts to several hundred million pounds a year.

The answer to a written question asked by my hon. Friend the Member for South Suffolk (Mr. Yeo) states that the local government pension scheme, to which I understand most local authorities belong, has an annual income of some £2.1 billion. If all that were invested in UK equities, the change would mean a drop in income of some £400 million a year. That may be unrealistically large, but even if we assume that only 60 per cent. is invested in UK equities, it still means an annual reduction in income of some £250 million.

My county, Somerset, has estimated that it faces having to make up a shortfall of some £2.1 million. That is for the Somerset fund as a whole, which includes the district councils. Devon county council reports a drop in income of at least £3.5 million in a full year.

The Local Government Association wrote to the Government estimating the drop to be about £300 million a year, and made the good point that it would be quite irresponsible to ignore the matter now. Government advice appears to be to ignore the problem at the moment and simply roll up the deficit in the hope that the Government make good the shortfall in two or three years' time. I suggest to the Economic Secretary that that is irresponsible. No commercial organisation would dream of ignoring a drop of that magnitude in its income; it would reserve for it annually. Local authorities therefore face having to make up the deficit by cutting services.

Somerset expects to be rate-capped later this week by Government order, so, even if it wanted to, there is no prospect of its placing the burden on the council tax payer. It has to cut services. Is it the Economic Secretary's advice that local authorities should ignore the consequences of the Budget and the shortfall in their pension funds, either because she does not think it is very important to maintain pension contributions and eventual benefits to members of funds or in the hope that the Government will make up the shortfall in due course? If the latter is the case, will she promise local authorities and the Committee that she will indeed make up the difference, preferably now? If she can provide no certainty this year, will she at least do so in due course?

The Economic Secretary to the Treasury (Mrs. Helen Liddell): I congratulate the hon. Member for Twickenham (Dr. Cable) on managing to get the

[Mrs. Helen Liddell]

amendment selected. He has done rather better than the official Opposition who, despite their crocodile tears about this issue, have not been particularly successful in tabling amendments. It is interesting to hear Conservative Members express concern about local authorities—would that they had done so some time ago.

The hon. Member for Twickenham recognises that the purpose of the abolition of ACT is to deal with distortions in the taxation system. He also recognises that those distortions exist. However, the amendment would delay implementation of the clause restricting the payment of tax credits until after the Government had reported on the effect of the change on local authority finances. Were the amendment to be accepted, one effect would be to produce opportunities for pension funds to sidestep the change by getting companies to pay dividends in the meantime. That in itself would add to the distortion with which we are dealing.

I recognise the extent of the publicity about the abolition of tax credits for pension funds. I am aware of the good intentions behind the amendment, but it is wrong to seek to scaremonger. I share the concern about the impact on any pension fund, but we have to take into account the fact that there is to be a revaluation of local authority pension schemes in England and Wales in March 1998. I am conscious that the hon. Member for Gordon (Mr. Bruce) is in his place—in Scotland, the revaluation will not take place until the following year.

There will therefore be no impact on local authority budgets in England and Wales until 1999 to 2000. That means that there is no immediate need to provide increased support for local authorities. Indeed, there will be other factors to take into account, not least a valid point made by actuaries themselves, which is that, because of the changes in corporation tax, actuarial calculations will have to take account of the increased capital values of companies.

I must take up the point raised by the right hon. Member for Wells (Mr. Heathcoat–Amory) about local authority pension funds investing all their reserves in equities. That is unrealistic. I recognise that the right hon. Gentleman acknowledged that.

Mr. Heathcoat–Amory: I specifically did not assume that all the funds were invested in UK equities. I made a rough calculation on the basis that only 60 per cent. were—a fairly modest figure. Will the Minister give her estimate of the collective drop in income experienced by local authorities as a result of the Budget? She must have done that work. Her officials must have advised her during the planning of the Budget. The Committee would be grateful if she would impart the information, in the spirit of openness.

7.30 pm

Mrs. Liddell: I am sure that the right hon. Gentleman is being mischievous rather than naive. He is well aware that it would be bizarre to attempt to second-guess what will happen in equities markets. If I could do that, I would probably replace Mystic Meg on the national lottery programme.

One important effect of the abolition of tax credits is that it allows companies to take decisions on their future performance and to invest from retained profits, leading to growth in those companies. That growth will result in better dividends.

There is a bizarre obsession with the short term here. We are talking about a situation that will not come to fruition until 1999-00. The right hon. Gentleman invites me to say whether the Government are ignoring the advice of local authorities. It would be foolish for the Government to jump to conclusions before the revaluation of pension funds in March 1998—March 1999 for Scottish local authorities. I am surprised that someone of the right hon. Gentleman's experience should make that point.

The right hon. Member for South Norfolk (Mr. MacGregor) talked about increases in council tax bills. He is falling into the same trap as the right hon. Member for Wells, trying to extrapolate figures that no one can know until after the revaluations. After those revaluations next spring, actuaries will have to take into account the capital values of companies.

Mr. Malcolm Bruce (Gordon): The Minister is making an interesting point, saying that we should not worry about this until the actuarial revaluations have been done. Does she not acknowledge that, when a tax relief that has been in place for many years is removed, it is a reasonable assumption that contributions will have to go up? Will she give an assurance that, if local authorities have to find extra money, the Government, who control 85 per cent. of their revenue, will make up the difference, or at least undertake to take it into account?

Mrs. Liddell: The hon. Gentleman makes a valid point, but there is more to the revaluation than simply looking at the impact of the abolition of tax credits. Capital valuations also have to be taken into account. Any Government reviewing local authority settlements have to consider the broader picture. We shall do that in due course.

I therefore regret that it is not possible for the Government to accept the amendment. I hope that it will not be pressed to a Division.

Dr. Cable: We intend to press the amendment to a Division, because we do not believe that we are scaremongering by raising our concerns.

One of the useful aspects of this short but focused debate has been the additional colour that has been supplied. We have heard from Norfolk and Somerset, where councils are directly affected. Yesterday, Oxfordshire county council, which is controlled by Labour and the Liberal Democrats, produced a report estimating an additional £4 million cost resulting from the measure. Council treasurers throughout the country, who are not of any political leaning, are expressing great concern about the measure and the loss of income that will result from it. They want reassurance about how they are to deal with it when the time comes.

My hon. Friend the Member for Gordon (Mr. Bruce) has already said that, although an actuarial analysis will

be made in due course, there will be a loss of income. That is why we want to push the amendment to a Division.

Question put, That the amendment be made:—

The Committee divided: Ayes 176, Noes 313.

Division No. 60] **[7.34 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard *(Sheff'ld Hallam)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Mrs Jackie
Beggs, Roy *(E Antrim)*
Beith, Rt Hon A J
Bercow, John
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Butterfill, John
Cable, Dr Vincent
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Cunningham, Ms Roseanna *(Perth)*
Curry, Rt Hon David
Davis, Cynog
Davis, Rt Hon David *(Haltemprice)*
Davies, Quentin *(Grantham)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Gibb, Nick
Gillan, Mrs Cheryl
Goodlad, Rt Hon Alastair
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(N Essex)*
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclennan, Robert
McLoughlin, Patrick
Major, Rt Hon John
Maples, John
Mates, Michael
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Syms, Robert
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Thompson, William
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Tyrie, Andrew
Viggers, Peter
Wallace, James
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Professor Steve
Wells, Bowen
Welsh, Andrew
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wigley, Dafydd
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Paul Tyler and
Mr. Edward Davey.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Beard, Nigel
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony *(Putney)*
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Cunningham, Rt Hon Dr John *(Copeland)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Dewar, Rt Hon Donald
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David

Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Morgan, Ms Julie (Cardiff N)
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Wise, Audrey
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. John McFall and
Mr. David Jamieson.

Question accordingly negatived.

Mr. Gibb: I beg to move amendment No. 16, page 12, line 42, at end insert—

"(4) Section 468Q of the Taxes Act 1988 (dividend distributions to corporate unit holder) shall be amended as follows—

(a) In subsection (1) at the end of paragraph (b) there shall be inserted—

"or is a pension fund as defined in section 231A(4)"

(b) In subsection (2) the words "or income tax" shall be inserted after the words "corporation tax".'.

I should at the outset declare an interest, in that I am a chartered accountant, a member of the Institute of Chartered Accountants in England and Wales, and I write a six-weekly article for *Accountancy Age*.

The amendment seeks to deal with an anomaly created by clause 19, which has been caused, like so much else in the Finance Bill, by the rushed and ill considered way in which the new Labour Government are proceeding. As such, and in the spirit of ensuring that the House produces well drafted legislation, I hope that the Government will accept the amendment.

The anomaly in question concerns the position of pension funds that invest through unit trusts. Clause 19 prevents pension funds from reclaiming the tax credits on dividend income—an outrageous change to the previous position, which all parties had accepted, that pension funds should be allowed to accumulate assets from income tax-free, thus encouraging the build-up of pension fund assets. As far as we know, it is not the

Government's intention to tax other income within a pension fund, such as interest income and income from property. At the moment, all the Government intend to do is tax dividend income received by pension funds.

The problem arises when a pension fund invests in a unit trust that itself invests in bonds or property. Unit trusts themselves are taxable, but pension funds could effectively reclaim the tax by receiving the tax credits attached to the dividend paid by the unit trust. Now that pension funds are no longer able to reclaim that credit, investing in a balanced unit trust becomes unviable for them, because that would now be taxable. However, if the pension fund itself received the income, it would be non-taxable.

If the Government accepted the amendment, it would apply existing provisions in section 468 of the Taxes Act 1988 to stream income paid by a unit trust to reflect the nature of the income it receives, and enable the recipient to claim back only the tax on the income that, had it received such income directly, would not have been taxable. Applying those provisions to pension funds would deal with the problem.

Mrs. Liddell: I regret to tell the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) that I cannot accept his amendment, but I congratulate him, as a new Member, on getting his amendment debated, albeit briefly. However, I do not see too much enthusiasm for his amendment among his hon. Friends. I do not accept his argument about the anomalous position.

I shall go into some of the background to the debate. Authorised unit trusts were introduced as vehicles for investment by individuals, and can be included in personal equity plans. Most PEP-ed investment is in authorised unit trusts and investment trusts. The tax rules are designed to ensure that tax-paying individuals do no worse by investing via an authorised unit trust than they would if they were to invest directly. Those rules involve treating authorised unit trusts like companies for taxation purposes, and the dividends that they pay out to pension funds are treated by clause 19 in exactly the same way as dividends paid to pension funds by a UK company. That is the structure for authorised unit trusts.

I come to my point of disagreement with the hon. Member for Bognor Regis and Littlehampton. I do not accept that the position of authorised unit trusts is anomalous. An authorised unit trust that pays dividends out of income it receives from a mixed investment portfolio is in exactly the same position as an investment trust or any other company that pays dividends out of profits arising from different income sources.

Furthermore, most pension fund investment through unit trusts in real property is done through unauthorised rather than authorised unit trusts. The treatment of interest and rental income flowing through unauthorised unit trusts to pension funds will not be affected in any way by our proposals. It is now open to many pension funds to invest through pension fund pooling vehicles—a type of unit trust that receives a completely transparent tax treatment.

The justification for the amendment is not clear. I know that the change has been touted by the Association of Unit Trusts and Investment Funds, which has written to my hon. Friend the Paymaster General on the subject. However, it is not apparent that the issue is a major one, not least because pension funds can and do invest in real property through unauthorised unit trusts rather than authorised ones.

I can give the hon. Member and the Committee an assurance that we will review the position should compelling reasons emerge why a pension fund investing in property through an unauthorised unit trust or pension fund pooling vehicle might be placed at a real disadvantage compared with one investing through an authorised unit trust. I am sorry that that sounds so convoluted, but it is better to get the clear position on the record.

We see no justification for the amendment, and we do not accept that the change it would make is especially necessary. Pension funds can take action to avoid being disadvantaged in the way that has been suggested. The amendment would also have repercussions, because pension funds would want similar treatment for other dividends, and it would run counter to the whole thrust of the tax credit changes. The Government cannot accept the amendment.

Mr. Gibb: I am grateful to the hon. Lady for accepting that, without the amendment, pension funds will be put at a disadvantage if they continue to invest through authorised unit trusts. The Government's position will be a great disappointment to the industry, because that is another unintended consequence of the proposals, which will require the pensions industry to make sweeping changes to its investment policy as a result of one Budget measure. However, in the interests of later debate, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Mrs. Liddell: I realise that the Opposition were anxious to have a wide debate on this issue, and I am willing to allow them as much time as possible. I will take on board any points they make, and sum up in some detail later. I stress that the purpose of removing tax credits is specifically to ensure that we remove a distortion from the tax system. The previous Government started the process, and we seek to promote a tax system that is fairer and that encourages longer-term investment in companies.

Mr. Heathcoat-Amory: I am glad that the Financial Secretary will answer the debate in some detail, because we have several questions that remain unanswered. So far, we have been unsuccessful in getting the Government to come clean about what really happened on Budget day to their promises on taxation. More specifically, the Government have not come clean about the damage they have done to millions of people who contribute to pension schemes.

Nowhere was the Government's pledge not to increase taxes more quickly—and deceitfully—broken than in clause 19. I wish to establish beyond dispute that the abolition of dividend tax credits for pension fund contributors was a huge tax increase. From Budget day, all pension funds investing in UK equities suffered an immediate and serious drop in their income. I say immediate because the provision took effect from Budget day.

[Mr. Heathcoat-Amory]

The Government will get an extra £5 billion a year from the change. There is no magic about that—the money has to come from other people. The new Government have a large majority and can repeal many things, but they cannot repeal the laws of arithmetic. If the Government take £5 billion a year from the income accruing to pension funds, clearly that will have an impact on the millions of ordinary people who contribute to those schemes. They will be hit by an eventual reduction in their pension benefits or by the need to increase their contributions.

I make no apology to the Committee for returning to the stated view of the Government on the effects of their proposals. The words of the Financial Secretary were:

"The measure"—

she was referring to the abolition of advance corporation tax credits—

"is good for pensions and pensioners. . . People should understand that our reforms will benefit pension funds."—[*Official Report*, 3 July 1997; Vol. 297, c. 507.]

Those words have gone unamended and uncorrected in the ensuing days, so that remains the official Government view of the effect of these tax changes on pension funds. This enormous tax hit is a benefit for pensioners and pension funds.

It is almost breathtaking that the Government can continue to assert that taking £5 billion a year from those who contribute to such schemes is good for them. If that is new Labour economics, we have been warned.

The Chancellor was hardly any better on Budget Day. He airily dismissed the matter by saying that pension funds were mostly in surplus, so no one would really be any the worse off. I have news for the Government. More than three quarters of UK pension funds are money-purchase schemes. They do not have surpluses. There is no pot of gold in money-purchase schemes that enables the Government to raid them without anyone noticing. The Budget simply reduces the prospective pensions paid for by those money-purchase schemes, or it will require contributors to them to increase their monthly payments.

8 pm

Typically, a 30-year-old with such a money-purchase scheme will now have to pay between £12 and £20 a month extra to maintain his or her benefits. To be told by the Government that that change is good for contributors is an insult.

As the hon. Lady is clearly anxious to respond, I invite her to repudiate the words of the Financial Secretary, or to explain how it can be good for someone to have to pay in between £12 and £20 a month extra for the same prospective pension.

Mrs. Liddell: I am grateful to the right hon. Gentleman for giving way. I shall deal first with the second point—payments into money-purchase schemes. Will the right hon. Gentleman inform the Committee on what basis his sums were arrived at? Anyone who knows money-purchase schemes knows that there are different impacts at different ages.

Secondly, on the point made by my hon. Friend the Financial Secretary, it is a well known fact that the strength of British companies is mirrored in the performance of pension funds. Indeed, her point is perfectly correct. If companies perform better and are stronger, with more stable long-term growth, that inevitably benefits pension funds. Will the right hon. Gentleman explain why, whenever the previous Government reduced tax credits, there was no mention of pension funds at that time?

Mr. Heathcoat-Amory: I am afraid that that simply will not do as an apology or explanation for the extraordinary remarks of the Financial Secretary on 3 July. The Economic Secretary has not explained how it is good for pensions and pensioners to have a sum of £5 billion a year extracted from the schemes.

The hon. Lady asked where my sums came from. I can explain in outline that, if there is a 20 per cent. cut by the abolition of ACT credits accruing to a pension fund, it follows that that income stream, discounted to the present day, has been cut by 20 per cent. Therefore, a pension fund investing purely in UK equities has been affected by that amount.

I generously recognise, however, that most UK pension funds do not invest only in UK equities. I therefore assume, for the sake of argument—the figures have been prepared for me by actuaries and outside commentators—that 60 per cent. is a reasonable figure to assume that many pension funds invest in UK equities. If that is so, the reduction is 12 per cent., not 20 per cent.

It is entirely fair for me to suppose that a man or woman contributing £100 a month to a pension scheme will have to increase contributions by the sum I mentioned. If the hon. Lady has alternative figures, we would be grateful to hear them. There has been a terrible dearth of information about the real reduction in benefits, or the necessary increase in contributions. All we have had is the daft assertion that it is all good for contributors, and that paying in additional sums is somehow helping them to build up higher pensions for their old age.

I concede that a minority of pension schemes are final-salary schemes. Some, at least, have the ability to be in surplus. The National Association of Pension Funds conducted a survey, which showed that most of its members do not have such surpluses, but some do.

The bottom line is that millions of people investing in thousands of pension schemes will have been hit badly and immediately by the Budget. It is deceitful to try to disguise that. I use that word deliberately and with care.

On Budget day, the Government issued "The Pocket Budget", which was designed to be a summary or distillation of what we in Committee know as the Red Book. It is designed to make the Budget clear and easy to understand. It was published so that people could see how the Budget would affect them, and to make it understandable and accessible to people outside.

All are agreed, I think, that the pension fund change was central to the Budget. It is the unexpected tax change in the Budget and the largest one. When it is up and running, it will raise more each year than the windfall tax will raise in total.

The only reference in "The Pocket Budget" to that colossal tax change affecting millions of people is:

"the Budget. . . makes other tax changes to encourage companies to invest profits in the future".

If that is not deceitful, I do not know what is, especially as it comes from a Government who go on about trust, openness and accountability.

Earlier on the same page from which I have quoted, the following is stated:

"Openness. The Government is committed to building trust."

They could have started in the very booklet in which those words appear.

There is nothing in "The Pocket Budget" about the affect on pension funds. There is no figure. Of course there are plenty of figures to show how the money will be spent. Billions and hundreds of millions of pounds bandied about on the expenditure side of the Budget are explained in the booklet, but there is nothing about this huge tax-raising measure on pension funds.

Even the possibility of investment is a smokescreen. I read out the reference that supposes that the entire purpose of the pension fund tax changes is to encourage investment.

That is not true, because many companies will have to pay more into their pension funds now, and as a result will have less to invest. Companies, especially some of the larger ones that still have final salary schemes, will have to make up the lost income with their own contributions; so a company having to make up the deficit will have less money to invest in plant and machinery, not more. Therefore, even the excuse, or description, offered, incomplete and misleading as it is, is untruthful.

I hope that, when the Minister replies to the debate, which she said she would do with some care and at some length, she will agree that that publication is a disgrace. It is published at public expense, yet it is clearly designed to disguise rather than to illuminate the true nature of the Budget.

I have a practical suggestion about how the Government could compensate for the crime. They should certainly withdraw the "The Pocket Budget" from circulation, but does the Minister agree that the members of pension schemes, even at this late stage, have a right to know what has happened to them? The Government are promising a "right to know" Bill in the next Session, and they could start to implement their words now, by giving the members of pension funds the right to know what the Government have just done to them.

Indeed, if the law of Bristol, South is true, and more taxation really is good for pension funds, perhaps the Government will want to send a letter to all pension fund members explaining exactly how good the Budget was for their pension funds and their eventual pensions.

I hope that the Minister will take the suggestion seriously, and use the fact that pension funds write to their members regularly in any case. If the Government were to help with funding, I am sure that the funds could be persuaded—perhaps they should be told—to explain to all members what happened to them on Budget day.

There are several other unanswered questions about clause 19. One concerns the relationship between the clause and the state earnings-related pension scheme. More than 5 million people have opted out of SERPS, and many did so on a calculation of comparative advantage, having measured SERPS against alternatives such as taking out a personal pension.

A particular aspect of that calculation concerns the national insurance rebates that we made available to those who left SERPS and made alternative arrangements. In the Budget, the Government reduced at a stroke the attractiveness of the alternative personal pension, and that has rendered the original calculation invalid.

I am not talking about anyone being missold a pension; I am describing people who were properly, rationally and objectively advised that the SERPS scheme offered less good prospects than taking out a personal pension, helped by the national insurance rebates. The Government have now rendered that advice invalid.

In previous debates, we have heard that the Government will not increase the rebates. It is the Opposition's contention that the Government are guilty of misselling pensions on a colossal scale. I should like the Minister to return to that issue and explain how she can avoid the charge that she has retrospectively let down the millions of people who took a decision about their future pension provision on what has turned out to be a false prospectus.

Mrs. Liddell: It is rather rich for the Opposition to talk about pensions misselling, because they blatantly ignored the pensions misselling that took place when they were in government, and completely failed to take into account the fact that 600,000 people at or near retirement had been missold pensions. The people who were missold pensions under the aegis of the previous Government deserve an apology from the right hon. Gentleman.

Mr. Heathcoat-Amory: The misselling of pensions is always a serious matter, and the Conservative Government put in place a mechanism to find out what had happened and recompense the victims. I draw a clear and immediate contrast between that and what the Government are now doing deliberately to millions of people, in which the Minister seems to take some pride. I hope that, when she replies to the debate, she will deal with the national misselling of pensions scandal on the part of the Treasury Bench, which is taking place before our eyes.

The Government are attempting a pensions robbery on a scale that makes Robert Maxwell look like an amateur. It means less investment in British industry, lower pensions and higher contributions. Almost the worst of it is that they have tried to cover it all up by describing it as a minor tax change—something to do with company profits. That has now been exposed, and people know what has happened, so I look forward to hearing the Minister's apologies.

8.15 pm

Yvette Cooper (Pontefract and Castleford): I have a strange sense of deja vu, rising in the House to speak about pensions and tax credits all over again, but I shall resist the temptation simply to read from *Hansard* my contribution to the previous debate on pensions.

Again I find it strange, in discussing the tax credits, to listen to Conservative Members talking about their concern for the plight of future pensioners, when they did so little for the future pensioners who suffered so badly from the misselling of pensions. In their objection to the clause, they seem to be trying to claim two things—first, that the tax credit is good for the economy and for investment, so that to abolish it would be terrible for both, and secondly, that to take it away would be bad for future pensioners.

Both those claims are wrong. Is the tax credit really as good for the economy as Conservative Members profess? Consider a company that has made profits. What should

[Yvette Cooper]

it do with those profits? Where should it invest them? Should it give them back to the shareholders, probably including a few pension funds, who are breathing down its neck? Or should it put the profits into investment, into expanding jobs and the future value of the company for those with shares in it, including those very pension funds?

Mr. Gibb: Does the hon. Lady not realise that it is not necessarily best for capital to remain within the company where the profits were earned? Surely it is better for the capital to go back into the capital market, and for independent assessors of the best use of it to decide where it would be best invested. That does not always mean that the profits should reside where they were made.

Yvette Cooper: That is an interesting claim, which several Conservative Members have made. They seem to argue that capital is always best used by the pension funds. In some cases, it may be. There may be good pension fund managers who are good at investing capital wisely—but there may also, as today's Office of Fair Trading report points out, be some who are not quite so good at making such decisions.

Equally, there may also be managers of companies who are good at making investment decisions. Others will not be quite so good. The problem with the tax credit is that it distorts the decision. Instead of allowing managers, pension fund managers and shareholders to make the best decisions about whether the money should go into investment, into dividends, or elsewhere, the Government and the taxpayer intervene, giving one group a subsidy to shunt the money out as dividends. That does not allow the managers simply to make a balanced decision about what is best.

It may be best to keep the money in the existing company; it may be best to take it out. We should at least let the managers make the best decision, according to the full information that they have about the state of the market at the time, rather than distorting the decision and letting the Government intervene to say, "We know what is best. We shall subsidise a particular use of that money." That is not a sensible or effective procedure for a Government who want to encourage investment and sensible decisions.

The tax credit has been used as a subsidy, and Britain pays out a huge proportion of its national wealth—double the proportion paid out by the Americans—in dividends. That is no wonder, when we have a tax credit that distorts the system. The Americans reinvest an awful lot more into their companies, and that might account for our low rate of long-term sustainable growth.

We have now allowed companies to take their own decisions about where best to spend their money. To balance the removal of the tax credit, we have cuts in corporation tax to encourage companies to make the best use of their resources. Our corporate tax rate is now lower than that of most countries in the industrialised world. That is a positive boost for investment.

Conservative Members argue that the measure is a massive blow to future pensioners, who will suffer terribly. That is a bizarre argument. They say that pension funds should inform all their current members of the potential impact, but how is that impact to be calculated? Surely it depends far more on what happens to the economy over the next five, 10 or 20 years than on anything that happens in this Budget. We should look to the long term rather than trying to pluck figures out of thin air.

The biggest blow to pension funds and the corporate sector in the past five years was the recession, which could have been avoided but was escalated by the Conservatives' mismanagement of the economy. If we really want to protect the future of pension funds, we must take into account the effect of the overall economy on their performance.

Conservative Members seem to have few qualms about triggering another recession. Their position in the run-up to the general election was that the Bank of England did not need to take operational control of interest rates and that no tax increases or cuts in Government borrowing were necessary. They are not quite prepared to commit themselves, but they now seem to be saying that no interest rate increases were necessary.

Given the escalation in consumption, Conservative Members' refusal to act on all those matters would probably have encouraged the economy into another boom, followed by another recession. That would have done far more damage to British pension funds than anything of which they are accusing the Government.

I always wondered why Conservative Governments never seemed all that concerned about escalating into a boom or going into a recession, or about the long-term future of the economy. They did not seem to want to get us out of the boom-bust cycle. It is clear from Conservative Members' speeches today that they do not recognise the impact of the business cycle on pension funds. Presumably they also think that it has no impact on companies or on all the people who lose their jobs. We believe that that is a huge issue.

Labour Members believe that the boom-bust cycle that Britain has been in for so long has had a massive impact on pension funds. That is why the measures in the Budget are based on the long term, and not on the short-term quibbles that we have heard from Conservative Members today. I support the clause.

Mr. Malcolm Bruce: The hon. Member for Pontefract and Castleford (Yvette Cooper) has rehearsed arguments that we have heard before. If the issue is so massive, one wonders why it did not manage to get into the Labour party manifesto in advance of the general election. That is what causes so much concern about the proposals and the way in which they are being introduced.

The hon. Lady has advanced arguments that many of us would accept as having some plausibility. They are a matter of opinion, and time will tell whether she is right, but the real concern is that, although the measure was not a manifesto pledge and the issue has not been widely debated, it is being rushed through in a matter of days before people have had a real chance to calculate the impact.

The shadow Chief Secretary has asked questions and expressed concerns that the Economic Secretary refutes. In a sense, that is logical. The right hon. Gentleman says, "We think this might happen"—and the Economic Secretary says, "We don't think so"—and the reality is that we all make a judgment about a dynamic situation the

consequences of which we cannot entirely foresee. That justifies the case for fuller consideration of the matter in the context of a general review of corporate taxation, to ensure that we get the balance right.

If I have a criticism, it is not that the measure is fundamentally wrong—it may or may not be—but that the Government are implementing it in such a hurry that nobody has a chance to consider the impact and get the questions aired and explored.

I can testify to the fact that the outside interest groups that are affected have barely had time to digest the complex impact. I have in my hand some suggested amendments that arrived too late to be tabled for debate today. They were sent by some of the people affected who want some answers, but they will not get them unless we manage to bring the matter up on Report, when there is strict timetabling.

I suspect that many people will begin to realise the implications only after the Bill becomes the Finance Act 1997. As has happened so often before, a new Finance Act in 1998 or 1999 will amend the mistakes. That is what we spend most of our time on in Finance Bill Standing Committees, year in, year out, because of the way in which we go about things.

The argument that it is simply a matter of changing the corporate tax system to make it more efficient and to encourage companies to retain profits that would otherwise be paid out in dividends and to invest is not as yet proven or provable. It certainly is not the whole answer, and no Labour Member is suggesting that it is. The hon. Member for Pontefract and Castleford was clearly advancing it only as one of the building blocks of her argument.

It is naive in the extreme to suggest that the measure is merely a change in corporate taxation: it is a form of personal taxation. Closing a tax loophole amounts to putting up taxes and means that people have to pay more. Effectively, therefore, it is a tax increase. As the exchange between the Economic Secretary and the shadow Chief Secretary demonstrated, the impact is not foreseeable and will be uneven. Some pension funds may be able to redistribute their funds in a way that reduces or eliminates the impact, and others may not.

The Government's arguments would have been more persuasive if they had not introduced the tax with effect from Budget day, which meant that there was no possibility of making any forward provision. I understand the reasons for that, but it means that even better management is required, to try to improve performance and offset any possible losses. The reality is that if, as the National Association of Pension Funds suggests, the measure could lead to an average increase of, say, 15 per cent. in contributions for people who are paying their own occupational pensions or personal pensions, with or without employers' contributions, it could easily be the equivalent of 1p or 2p on the standard rate of income tax, which will be deducted from their salaries to bring their pensions up to the final salary calculations that they thought they were paying for.

8.30 pm

The Economic Secretary and other Labour Members will not be surprised to hear Liberal Democrats saying that it would have been more honest for the Government to put up income tax rather than finding a back-door method of doing exactly the same thing unevenly. Effectively, that is what is happening. My worry is that the Government think that taxing the corporate sector does not affect individual citizens, when clearly it does. Certainly, the way in which this measure is being applied will do so. I might ask the Economic Secretary whether that is wise or whether a compensating adjustment is coming down the track.

The Minister for Welfare Reform, the right hon. Member for Birkenhead (Mr. Field), is charged with a comprehensive review of social security and pensions, which could clearly lead to a recommendation—most of us expect that it will—that individual citizens should make a substantial compulsory contribution to the pensions industry to achieve future top-up pensions to replace SERPS and provide care in the community and for people's care in their old age. As a consequence, the financial institutions will, potentially, have massive additional income. Perhaps they are being persuaded to back off and swallow this measure quietly because of the benefit that may come at a later date.

If that were the case, it would be regrettable, because those are real issues—one for the long term and one for the here and now. The here and now is that people will almost certainly have to find additional money to get the same pension benefit that they started paying for when the tax relief was built in.

I have some sympathy with the argument that tax reliefs are a distortion in the marketplace. I hope, however, that the Economic Secretary will not quite follow the line of argument of the hon. Member for Pontefract and Castleford, who has the ear of all sorts of people who influence policy and who suggests that all tax reliefs are a bad thing and a distortion and should be abolished. Or are only some of them bad?

What is a good or a bad tax relief is a subjective analysis, as is the effect of such reliefs. It has always been an accepted part of Government policy that tax and tax reliefs are not merely revenue-raising powers but are about altering people's behaviour—for example, to encourage saving or to discourage the buying of polluting equipment, and so on. Ministers put forward those arguments on many occasions. Indeed, the Chancellor of the Exchequer chose to argue that the massive and additional increase in the petrol tax in the Budget was an environmental measure. Of course, it was nothing of the kind—it was a revenue-raising measure. The argument used to justify it was that it would discourage the use of cars, which was good for the environment—the consequence is not arguable.

I hope that the Government do not believe that all tax allowances are equally bad. It would be helpful if they gave us a broad indication of which allowances they think are good and which bad, so that we can anticipate those that might be strengthened or introduced and those that might be abolished or reduced. We are all beginning to have to second-guess Government thinking.

This is a serious issue. I do not dispute that the Government have some valid arguments on their side, but introducing the measure at short notice, without full consultation and the opportunity for all the implications to be assessed and for those affected to get answers to their questions, was not wise, desirable or the right way to do things.

[Mr. Malcolm Bruce]

I hope that I can give the Government the benefit of the doubt—they thought that in their first Budget they had to do something that would bring in extra revenue, that this was the way to do it and that they were likely to get away with it now. We have on the record Ministers' suggestions that, in future, they intend to consult about tax changes. They intend to have a consultation on the future of corporate taxation. I hope that we will be able to have proper, informed debates in the House and with organisations and interested parties outside it, so that never again will a major tax change, which will bring in £5 billion a year for the foreseeable future, be forced through the House in a matter of days before any of us have had a full opportunity to assess its implications. Fundamentally, that is why we will vote against the clause.

Mr. Cranston: I should be more persuaded by the Opposition's claim that they are the pensioners' friend if my hon. Friend the Economic Secretary to the Treasury did not have to spend so much of her time clearing up the mess left by the previous Government because of the huge misselling of pensions. I should also be more persuaded if the Office of Fair Trading had not published a report this morning on the nature of the pensions industry and the extent to which it has not been adequately regulated.

Opposition Members have mentioned our manifesto in this and previous debates. I am prepared to give way if they can tell me how many of their 22 tax rises between 1992 and 1997 were mentioned in their 1992 manifesto—I suspect, none.

The background to this measure is this country's imputation system. We attempt to avoid the double taxation of dividends. Other countries do not have the same approach. ACT is a product of our system. For example, the United States does not have our imputation system.

Mr. John Swinney (North Tayside): Is the implication of the hon. Gentleman's opposition to double taxation that he wants to wipe away the double taxation treaties that this country has with a variety of other countries, to try to get some consistency in the taxation system?

Mr. Cranston: The hon. Gentleman completely misunderstands. The imputation system was designed to avoid double taxation in the sense of taxation when the moneys are in the hands of the company and then in the hands of shareholders when they receive dividends. That has nothing to do with double taxation treaties between different countries.

As the American experience demonstrates, our system is not universal or sacrosanct. The result of our imputation system, however, is that, in the case of pension funds and charities, a tax credit is paid. Base rate taxpayers do not have to pay anything in taxation on dividends because of the system, but pension funds get paid a credit.

As my hon. Friend the Member for Pontefract and Castleford so lucidly explained, that leads to a distortion in the way in which decision makers, such as pension funds, invest. They invest in United Kingdom equities to a greater extent than they would otherwise have done because of the tax credit. It also means—this is one of the themes of the Office of Fair Trading report—

Mr. Gibb: Will the hon. Gentleman explain his last statement, which I, and I suspect many hon. Members, do not understand? Given that pension funds receive a tax credit on receipt of dividend income because the tax fund is not a taxable entity, so the interest and property income that they receive is not taxable, how can the imputation system give pension funds an incentive to invest in UK equities—all the income that the funds receive is tax-free?

Mr. Cranston: I am pointing out that the measure affects the portfolio decisions of pension funds. As we have seen in recent days, the speculation is that pension funds will turn from UK equities, for example, to commercial property, foreign equities or gilts.

The OFT report has underlined that the present system gives protection to inefficient fund managers. We know that fund managers have been able to produce good results and to charge high fees—I must be careful, because of the previous occupations of some Conservative Members—and we know also that fund managers have been able to earn extremely large salaries, even when particular funds have performed less well than funds that have merely tracked the FT stock exchange index. The current system leads to distortions in investment decisions taken by pension funds and to other inefficiencies.

Mr. Denzil Davies (Llanelli): I do not follow my hon. Friend's argument. It has already been said that pension funds used not to pay tax on dividends, rents from property developments or gilts. In future, they will pay tax on dividends but not on rent from property development and gilts. The anomaly, if there is one, lies in the fact that until now all the investment income of pension funds was tax-free. That has nothing to do with the imputation system.

Mr. Cranston: I find that intervention helpful. If my right hon. Friend reads the report of my speech in *Hansard*, he may follow my argument, which I hope and trust is correct.

The economic health of pension funds turns in the long run on the state of the economy. In other words, it turns on general economic conditions, including the stable long-term growth of the economy, and the Government have taken steps to ensure that there will be stable long-term growth. My hon. Friend the Member for Pontefract and Castleford has alluded to some of the measures that have been taken, such as the steps to ensure the operational independence of the Bank of England.

In assessing claims of the losses that pension funds will suffer, we must give some attention to how pension funds are valued, which is on a discounted cash flow basis. In other words, actuaries measure cash assets earned through dividends, which are discounted in accordance with ordinary accounting practice. There is growing pressure from international accounting groups to move away from that approach and to use market valuation, which is to value the assets and then to adjust them, for example, for inflation.

The present method of valuation means that the company that pays a dividend will be treated differently from the company that distributes capital in an authorised way, or which, for example, distributes to shareholders by buying back shares. It seems that the method of assessing the losses that pension funds suffer—there has been wild speculation about this—must be discounted to some extent because of the discounted cash flow method that is currently used in this country to value pension funds.

As far as final salary schemes are concerned, pensioners are protected. It is up to their employer to make up any shortfall as a result of these measures.

8.45 pm

The Budget introduces a cut in corporation tax. There are other benefits for corporations, which, to an extent, will allow companies to make up any shortfall that might occur as a result of these measures. In some cases, companies have been taking substantial pension holidays. They will have no difficulty in making up the shortfall.

Labour has said that, in the long term, there is a need for a new savings account for individuals which will build on the experience of TESSAs and PEPs, and will encourage long-term savings, which would be encouraged through tax relief. I very much look forward to the day when it will be introduced.

Mr. Gibb: It is always a pleasure to follow the hon. Member for Dudley, North (Mr. Cranston), who always makes my speeches sound interesting.

I was disappointed that the Government felt unable to accept the amendment that I tabled. The measure will cause additional alarm in the pensions industry, as it is still reeling from the disastrous effect of the abolition of credits on dividends. The additional concern—the right hon. Member for Llanelli (Mr. Davies) hinted at this—is whether the Government ultimately intend to tax other income received by pension funds, such as interest income and income from property. They have already broken the principle that pension funds should be tax-free vehicles. The Labour party may now think why not go the whole hog and tax everything that a pension fund receives. That would be a nice little earner to fund the Labour party's next spending bonanza.

Mrs. Liddell: Perhaps the hon. Gentleman will tell the Committee whether in his election manifesto he supported the previous Government's proposal to take away the tax-free contribution of employees' pension contributions. Does he believe that that is an effective way to deal with employees' pension contributions?

Mr. Gibb: There was no mention in my manifesto on that issue. I shall continue.

I refer hon. Members to clause 19(4), which provides a definition of income. It says:

"'income', in relation to a pension fund, means income derived from investments or deposits held for the purposes of the pension fund".

Why does it say "investments" and "deposits" and not simply UK equities? After all, only UK equities are being taxed in the clause. Is this a Freudian slip, revealing the Government's long-term plans for pension funds? The industry, pensioners and people contributing to pension funds would appreciate a statement on that from the Minister—a statement that categorically rules out any intention further to tax pensions in the future, or at least during the lifetime of this Parliament.

The Government's decision to confiscate 11 per cent. of the value of pensions has already had a very damaging effect on confidence—the confidence that people feel when they are paying into a pension fund that was formerly considered a safe haven.

Mr. Cranston: Can the hon. Gentleman provide evidence to support his claim that the figure is 11 per cent?

Mr. Gibb: The same calculations have been used before. It can be assumed, for example, that about 55 per cent. of the assets of an average pension fund are held through United Kingdom equities. If 20 per cent. is applied to that figure, the total is roughly 11 per cent.

Mr. Cranston: All other things being equal.

Mr. Gibb: Yes.

As I was saying, pension funds were considered a safe haven, but they are now deemed a reasonable quarry for an ever-hungry Labour Government.

The Government have not given enough thought to the severe consequences of their decision to abolish tax credits on dividends. They have not thought about, for instance, the circumstances of someone who is self-employed or in non-pensionable employment and is already paying the maximum 17.5 per cent. of his net income into a personal pension fund. Thanks to this measure, that person will now need to increase his contributions to maintain the value of his pension, but the law prevents him from increasing his contributions beyond 17.5 per cent. if he is to receive a tax deduction. Why have the Government not raised the limit?

I note from page 46 of the Red Book that the Government have considered the impact that the Bill will have on companies. As is made clear in paragraph 2A.7, businesses will have to make higher pension contributions, and that will have an effect on corporation tax receipts. I can only say "Well done" to the Government—but what about the effect on local authorities? Why have the Government not made extra provision for higher local government contributions to employees' pension funds?

What will happen to councils that are already spending up to their capping limits? Should they cut services? Should they make people redundant? Or should they—as the Prime Minister suggested to the House, and as the Economic Secretary to the Treasury reiterated in the debate—simply rely on the fact that local government pension funds are not due for revaluation for a year or two, and do nothing about it until then? Is that the conclusion that the Government reached once they got round to considering the consequences of this measure? If so, I hope that no responsible local authority will follow that advice.

Why did the Government decide to allow higher-rate and basic-rate taxpayers to keep the tax credit on dividends, but refuse to allow non-taxpayers to reclaim it? Was it yet another deliberate attack on pensioners, two out of three of whom are non-taxpayers, or was it yet another unforeseen consequence of an ill-considered and ill-thought-out policy?

This one clause is the most damaging and far-reaching clause in the Bill. It will raise £3.95 billion in 1998–99 and £5.4 billion in 1999–2000. That is more than the

[Mr. Gibb]

windfall tax raises, and it is an ever-recurring annual event. It is equivalent to a 3p rise in income tax. It will result in millions of people paying more into personal and occupational pension schemes, and in companies having to pay higher employer pension contributions. It will take 11 per cent. off the value of the nation's pension fund assets, and it will cause pension fund managers to switch whole swathes of investment—billions of pounds—out of equities and into other assets. As we discovered earlier, they will be transferring their money from authorised unit trusts, for instance.

That will force local authorities to sack staff or raise the council tax. It will undermine confidence in the sanctity of pension funds as a way of saving. It will increase the likely level of state dependency in the decades ahead, which will feature an ever-aging population. It vandalises one of the great successes of the past 18 years of Conservative government—the fact that the country has built up £650 billion in private pension fund assets.

The clause was introduced in a rush, as a wheeze to raise billions of pounds for future spending plans, but its unforeseen consequences are hugely damaging to pensioners and to the country as a whole. I urge hon. Members to throw it out.

Mr. Geraint Davies (Croydon, Central): I would not describe that speech as interesting.

Let us put this matter in context. Who is the pensioners' friend? What legacy did we inherit, and what does that legacy mean for pensioners? On 1 May, we inherited a situation in which Britain was falling down the skills league and the earnings per head league, so that, of the 15 member states of the European Union, only Portugal, Spain and Greece were below us. Was that good in the long term for pensioners investing in UK equities? UK plc became weaker and weaker under the Tories because of under-investment, year after year, in human and physical capital. The big challenge we faced was to put pensions on firm ground for the future.

We also inherited an enormous public sector debt, which we had to control. The Tory legacy meant future tax rises, which threaten future pensions. That is the real economics of the situation. The short-termist, accountancy approach taken by the Conservatives has taken Britain down the economic league of countries. In the present unstable consumer boom, the economy is disabled by undercapacity due to under-investment, and there is a propensity for inflation to increase and for interest rates to zoom up, which is not in the interests of home owners or of investors.

As for Conservatives being the pensioners' friend, we all know that, in the past, because of their economic mismanagement, they increased VAT on fuel, which hurt pensioners, and then tried to do it again. More than half a million people were missold pensions, and that problem was never sorted out. We need no lectures from Conservative Members, given their legacy of short-term chaos and long-term inadequacy.

I have said before and I shall say again that the Chancellor boldly created conditions in which pension funds could prosper. They can prosper only if UK plc is profitable in the long term. The delegation of responsibility for setting interest rates to take the risk premium out of investment in Britain and thus reduce long-term borrowing rates was a great move for pensions. The reduction of corporation tax to the lowest level in Europe, which will make the United Kingdom attractive again for international investment, was another brilliant move, as was the tax reduction for small and medium-sized enterprises. Those changes will help the prospects of pension funds that invest in British industry.

What is advance corporation tax and where did it come from? In the first instance, ACT was a neutral measure to speed up the payment of corporation tax. Under the previous Government, tax credits were used to subsidise dividend payments to pension funds. On the face of it, that seemed very good, but it created a distortion. The judgment about what proportion of operating surplus should go into dividends—into the City—and what should be reinvested in research and development, future products and profitability was distorted in favour of the former. Other major trading nations, such as Japan, the United States and Germany, do not have such a distortion: they invest more in research and development, in innovation and in new products. It is not surprising that those countries are going up in the skills league.

We need to think carefully about the distorting effect of the subsidy and whether it is in everybody's interest, as has been asserted. I suggest that it is not. It may be in the short-term interests of some pension fund managers, but the history of the professionalism of pension fund management in Britain is not inspiring. Many pension funds and managers are characterised by excessive fees and charges and by salaries and bonuses to managers who are incapable of increasing their fund value above the FTSE average.

Most funds do worse than the average. I was on a pension fund board, and anyone who knows anything about the distribution of numbers will realise that that is possible. *[Interruption.]* Conservative Members laugh. Some of them are obviously in the industry. The board to which I referred employed some managers for a local authority who consistently failed even to track the average, and we changed them.

9 pm

Mr. Graham Stringer (Manchester, Blackley): Would my hon. Friend be surprised to learn that I was told by the chairman of one of Britain's leading manufacturers that he spent his time trying to hide from the City the amount of research and development that was carried out in that company? If the City had known about the large percentage of potential pension funds being spent in that way, it would have put pressure on him to reduce his company's research and development.

Mr. Davies: Unfortunately, I am not surprised to hear that. My hon. Friend's example is characteristic of the disgraceful activity throughout United Kingdom industry. Before I ran my own business and was in a multinational business, I found that there was an increasing propensity to have short-term financial returns. There was no longer an annual return, because every quarter the marketing and advertising spends, which were strategic investments, had to be cut to hit the City's requirements, its hunger for dividends. As hon. Members have said, such actions were carried out at the expense of long-term strategic investment.

Who is best equipped to make long-term strategic investment in research and development? Is it the people who create profits for companies in the first place, the managers and directors who invest their time, life, skills and energy fighting in competitive markets and delivering returns, or is it the City, which behaves in an accountancy fashion and just wants to drain the lifeblood from British industry?

It is obvious that a balance must be struck between dividends and research and development and reinvestment. The distorting effect of the subsidy has led to inadequate performance by many pension funds, and has allowed massive bonuses and the starvation of companies that want to invest and succeed. The balance is not right for our long-term economic prospects and, therefore for the economic well-being of pensions and pension funds.

The new Government bring with them a new culture to support the one that I have mentioned, which relates to investment, innovation and long-term thinking. It supports company directors and managers who want to succeed and does not simply respond sheepishly to the voice of the City.

In an earlier debate, Opposition Members spoke about the subsidies to private health care. People quoted industry sources which were subsequently shown to be inaccurate by reference to the Inland Revenue. In its own interests, the voice of the pension fund industry is prone to exaggerate the results of the Government's changes. We all know that the predictions about the impact on pension fund values derive purely from a calculation that is based on dividend flows which, in actuarial terms, do not stand up to scrutiny, because they will be unable to account for the likely capital growth of pension funds.

Mr. Gibb: How does the hon. Gentleman think the capital values of companies are calculated if not from their income flows?

Mr. Davies: It is now acknowledged by consultants in the industry that one has to give some idea of companies' future values in terms of stock market value and the like. That is not ascertained simply from the dividend flow. There have, on average, been large increases in stock value since the Labour party came to power, and those will continue if the Government create an environment, in terms of the Bank of England, research and development and corporation tax, in which we can expect rapid growth of investment and profitability in UK plc.

Future values should be factored in. Basically, the word on the street is that they will now have to be. The hon. Gentleman can use his somewhat simplistic arithmetic in this debate, but in a year or so, that will be inadequate and those changes will be made. Time will tell, but that is clearly the industry's view.

The simple fact is that, again, a small scatter of the Opposition have been cobbled together to talk about the short-term impact, warning that there will be victims, as if there were an election next week and they were still trying to pull themselves together. They are unable to confront the fact that the new Government, unlike the previous one during their 18 years of office, have a long-term policy that will deliver economic and social benefits for pensioners, other people and future generations.

Mr. Brooke: I am pleased to follow the hon. Member for Croydon, Central (Mr. Davies). To his credit, he has been in the Chamber for much of the Committee, but he repeated the old canard about VAT on fuel hitting pensioners, when pensioners were the one element of the community that were protected from the tax's effect.

I spoke on this subject during the Budget debate. Yesterday, the Paymaster General rebuked us for not raising different points from those that we had made during the Budget debate, on Second Reading or, in the context of this debate, in the pensions debate. Plenty of hon. Friends wish to make new points, so I will confine mine, whether new or old, to three.

Before I do, may I say that it was a pleasure to welcome the right hon. Member for Llanelli (Mr. Davies), who I am sorry has now left the Chamber, to the debate? It is one of the signs of the new Government's overweening confidence that they thought that they could manage without the right hon. Gentleman, who was a distinguished Treasury Minister when Labour was in power before 1979.

First, the Government have given us remarkably little justification for their confidence that, if the payment of dividends is made less attractive, investment will be more likely. In one respect, I am in the Government's debt, as the subject is not one with which I have had to get to grips since I was a postgraduate student at Harvard business school 40 years ago. The baldness of the Government's confidence that their measures will have a particular long-term effect has driven me back this month to the academic literature, even if a fair amount of the latter comes from those modern seats of earning, the business schools.

I have also studied the 1994 Select Committee on Trade and Industry report on the competitiveness of UK manufacturing and industry. Interestingly, there were many fewer and much briefer recommendations in the chapter on the City and industry than in some of the other chapters, but it will not surprise the Committee if I recount that there were charges of short-termism, to which the hon. Member for Croydon, Central referred.

The Procrustean circumstances of the abbreviated and accelerated procedures in the Bill have still allowed me to read "Short-termism on Trial" by Professor Paul Marsh of the London business school, which was published by the Institutional Fund Managers Association, which is regularly quoted in the Select Committee's report, but which effectively finds the City not guilty of the charge as made.

I fear that, due to the accelerated procedures on the Bill, I have not been able to get hold of Mr. David Miles's "Testing for Short-Termism in the UK Stock Market", published in 1992 as Bank of England working paper series No. 4. I am sorry for that failure, but I blame the Government's business managers more than me. It is an omission, because, in paragraph 174 of the Select Committee's report, the argument over whether share prices properly reflected the value of long-term investment is primarily underpinned by Mr. Miles's study. I have already confessed that I have not had the opportunity to read it, but I have been advised that the working paper does not comprehensively underpin the conclusion that the Select Committee drew from it.

Interestingly, one immediate consequence of the Government's actions has been to drive funds out of manufacturing equities and into property, as the hon. Member for Dudley, North (Mr. Cranston) conceded.

[Mr. Brooke]

I hope that the Economic Secretary will say why the Government are so confident about the effects of their measure. In particular, if the Government are wrong, the national price will be heavy.

My anxieties are compounded by the relative unfamiliarity of Ministers with their briefing under pressure. The words of the Financial Secretary have been quoted by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) and others during the debate. My suspicion is that the Financial Secretary did not expand on the simple words she used because she would have got herself into deeper and unfamiliar water.

Even the Economic Secretary startled me when she was being cross-examined by Mr. James Naughtie on the "Today" programme on the subject of personal pensions in the context of this clause. She suddenly threw in the fact that pension funds were in surplus—which had nothing to do with the immediate price of eggs, in answer to the question asked by Mr. Naughtie.

Mrs. Liddell: I am surprised at the right hon. Gentleman's ungraciousness. I have always listened closely to his speeches. The point that I made specifically to Mr. Naughtie related to occupational pension schemes, which are a critical part of the mix in resolving pensions misselling. That is why I was discussing funds in surplus and the ability to rectify pensions misselling. I cannot believe that the right hon. Gentleman is comfortable in his soul with the way that the previous Conservative Government, in which he served, behaved on pensions misselling.

Mr. Brooke: The Economic Secretary is entitled to come back on such points, but the fact remains that she was deciding the agenda with Mr. Naughtie. She switched the argument to a subject on which she felt she was on safer ground—she was not responding to the question that he specifically asked her. *[Interruption.]* We can readily examine the transcript.

I am struck by the Government's confidence that companies that retain their earnings will do better. The Government are stripping the windfall tax from companies where investment is requested and regarded as important. Some Minister—I cannot remember who—said that the utilities could afford to pay the windfall tax out of their borrowings. I am struck by the difference between that use of borrowing and the Chancellor's golden rule, as expressed in the Budget, on what borrowing should be used for, at least in the public sector. I am left with the sense that the man in Whitehall knows best.

There is reasonable agreement that one effect will be to make final salary schemes less attractive and therefore drive people into money payment schemes. The irony is that those investing in money payment schemes are themselves penalised by the arrangements. I have never been enamoured of the phrase "double whammy", but the consequence of the Government's actions appears to be one. I suspect that the issues of short-termism and long-termism are ones that we will revisit in this Parliament. I hope that in the future, including tonight, the Government will afford us more argument and less asseveration than we have had so far.

Mr. Vernon Coaker (Gedling): It is remarkable to be attending the Committee stage of the Finance Bill and to hear Conservative Members pretend to be the friends of pensioners. During the recent election campaign, we discovered that pensioners were concerned about their circumstances and their prospects.

The Conservative party is portraying itself as the friend not only of today's pensioners but of future pensioners. However, the previous Administration's record—Conservative Members want nothing to do with that—show exactly what Conservative Members did for tomorrow's pensioners. Since 1979, the number of active members in occupational pension schemes has fallen. Moreover, hundreds of thousands of people were encouraged to leave occupational pension schemes and to take out personal pension schemes, for which many of them are still awaiting compensation.

Nevertheless, Conservative Members say that they represent future pensioners. Where were Conservative Members when pensions were being missold?

9.15 pm

Mr. Shaun Woodward (Witney): Here we go again.

Mr. Coaker: The hon. Gentleman says that, but why should today's or tomorrow's pensioners trust Conservative Members, who failed so miserably in their obligation and responsibility to help pensioners when they had the power to do so? Conservative Members will have to answer that question.

Conservative Members have offered idle speculation on the consequences of the Budget's tax reforms and talked about Labour's scaremongers—but who are the scaremongers?

Lorna Fitzsimons (Rochdale): Does my hon. Friend agree that Opposition Members would not be scaremongering if they genuinely cared—as they profess to do—about pensioners? Conservative Members had 18 years in which to prove in deed and in word that they cared about pensioners, whereas VAT on fuel is a testament to their hypocrisy. Do you therefore agree that Conservative Members are shedding crocodile tears and are more in favour of pension funds?

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. The hon. Lady is not conducting a conversation with one of her colleagues; she is addressing the Chair.

Mr. Coaker: I thank my hon. Friend for her intervention, because she has made point that I was trying to make. When Conservative Members were in power, they did nothing to protect future pensioners. As she said, now that we have a Government who are determined to take action for the benefit of the entire community, Conservative Members disagree and offer idle speculation to frighten people and to undermine the Government's proposals.

Much of the basis of the argument offered by Conservative Members reminds me of my time at university, when I was studying economics. Our economics lecturer stood in front of the class and drew models, saying, "If you keep this, this and this the same, the outcome will be that." We asked what would happen if we changed one part of the formula, and he said, "You can't change one of the variables, because that would

spoil it." Conservative Members refuse to accept the Government's argument that the value of pension funds is determined not only by the amount of money paid into them but by many other variables.

My hon. Friend the Economic Secretary to the Treasury has said in this debate that pension fund values are determined not only by the income paid into them but by economic confidence and growth and generally by how people feel about the economy. All those factors will affect pension fund values and prospects.

If Conservative Members want to lower pension fund values, they should continue talking down pension funds and trying to undermine economic confidence. Future pension fund values, on which so many workers rely, will be affected by such activities.

Like all my hon. Friends, I support the Government's measures. They are designed to encourage investment and to do something to tackle the blight that we see all around us. We have a new Government, and it is incumbent on Conservative Members to remember that the new Government have different priorities and are determined to do things differently.

The tax changes outlined in the Budget, including the ACT proposals, are part of a package that aims to serve the whole community and put people back to work. It is about investment in the economy and about rewarding that investment rather than rewarding speculative gain.

Finally, I remind hon. Members that what the Labour party promised during the election campaign, and what the Labour Government are now delivering, is a fairer tax system which encourages and rewards investment and which, through that investment, generates a fairer society in which there are opportunities for all.

Mr. Woodward: You may not be surprised to hear, Sir Alan, that I do not intend to take up the invitation issued by the hon. Member for Gedling (Mr. Coaker) to share his views.

I believe that clause 19 should be withdrawn. It goes hand in hand with a Budget which is, by and large, full of carelessness and broken promises, although I admit that in that respect this clause is something of a surprise. Throughout the election, and in the run-up to it, we were treated to a series of promises by the Prime Minister and the Chancellor of the Exchequer. They told us, quite fairly, that there would be windfall tax, and we can find it in their deliciously framed manifesto and prospectus. When pressed on whether there would be other tax increases, the answer was, "Absolutely not—we have declared all our taxes and you will find in our manifesto everything we will do."

In the Chamber on Tuesday, however, my hon. and learned Friend the Member for Harborough (Mr. Garnier) repeatedly pressed the Financial Secretary to assist him in his inquiries, trying to find a reference in the Labour party's prospectus to the abolition of the ACT credit for pension funds. The Financial Secretary seemed to be having some difficulty answering his question. I believe that the Financial Secretary did not answer his question. Indeed, I would go so far as to suggest that she probably could not answer his question, because there is no such proposal in the Labour party manifesto—if there is, I shall be more than happy to give way to the Economic Secretary so that she can tell me where I can find it.

Out of nowhere, the Labour party will produce a bonanza to fund its spending programme by abolishing the ACT credit. The aim is, of course, laudable. There cannot be one hon. Member who does not think that one of the most important tasks of anyone in politics is to create employment—*[Interruption.]* I am sorry to see the hon. Member for Dudley, South (Mr. Pearson) shaking his head as I suggest that our task should be to create employment. He could learn a few lessons by looking back at what the previous Government did to create employment.

Every other European country has rising unemployment but, just today, we have celebrated yet another fall in unemployment because of Conservative policies of the past few years. Those policies have created real jobs, not phoney or subsidised jobs that will disappear when the subsidy goes. If the hon. Gentleman wants to learn how to create real jobs, I suggest that he looks hard at the work of the past few years.

Mr. Geraint Davies: Will the hon. Gentleman accept that only one in six of the new jobs created in the final year of his party's failed Government were full-time jobs and that the rest offered poorly paid, part-time or temporary work which was inherently insecure and in which, in many instances, people were stripped of their pension rights and other benefits? Those are not real jobs—they are bogus jobs.

Mr. Woodward: The hon. Gentleman asked me simply whether I agree. No, I do not.

The aim of the clause—welfare to work—is laudable, but the means are crude.

Mr. Stringer: Will the hon. Gentleman give way?

Mr. Woodward: No, I shall not give way for the moment. At best, the clause is careless; worse than that, I believe that it will produce instability in the economy, depriving it of investment and creating uncertainty—not just for the pensions industry, where there is huge uncertainty as a result of the Budget, but for pensioners. I am sure that hon. Members on both sides agree that one of our most important tasks is to provide certainty for people in their old age and as they approach old age. I hope that Labour Members agree that the building up of more than £650 billion of pension funds in the United Kingdom—whomever we give the credit to—is a considerable achievement and reflects well on the country.

Mr. Davies: The hon. Gentleman has just asserted that the best prize that we could give the British public is certainty. Is it not the case that the only certainty that the previous Government brought was uncertainty? All that we saw was a cycle of boom and bust: in the housing market, in recession and unemployment—the list goes on. The Budget will bring about stability, certainty, long-term investment, security, wealth, prosperity and fairness for the British people for the new millennium.

Mr. Woodward: The hon. Gentleman will not be surprised that, yet again, I do not agree with him. I am sorry to disagree with him, but I am afraid that I have to.

There was huge uncertainty a week before the election when the right hon. Member for Sedgefield (Mr. Blair) went around the country terrifying pensioners. He ran

[Mr. Woodward]

around saying that the Tories were going to scrap the basic state pension. He was challenged for evidence. Did he find it? No, yet he went on repeating the scare. I do not believe that anybody should scaremonger and frighten old people for the sake of it. The Conservatives want to talk about the clause in detail because, most of all, we want proper consultation before such measures are taken.

It is ironic that the right hon. Member for Sedgefield made those claims about the future of pension. We have a Labour Government—

Mr. Davies: Will the hon. Gentleman give way?

Mr. Woodward: No, I will not give way. I have given way to the hon. Gentleman twice.

The Government are robbing not the few, but the many. The only equitable aspect of this careless tax is that it will hit every fund and everyone. Sooner or later we shall all, like Mother Hubbard, find ourselves going to the cupboard only to find it bare—emptied by the Labour Government as they look for every opportunity to take money from success.

The accountancy firm Kidson Impey said of the Chancellor in *The Independent* on 3 July:

"What he's really done is to steal from every person and business who pays into a pension."

The chairman of the Association of Consulting Actuaries, which represents pension fund consultants, said that abolishing the ACT credit would lead some companies, especially small companies, to abandon sponsorship of occupational pension schemes. He said:

"Any employer considering introducing or extending occupational pensions may now be dissuaded from doing so."

He went on:

"This move is in direct opposition to the Government's stated aim of increasing private funded pensions to reduce reliance on the state."

Mr. Ivor Caplin (Ho[illegible]): Will the hon. Gentleman address the important issue of pension holidays? I have heard nothing so far in the hon. Gentleman's eight minutes—or from any of his Conservative colleagues—about the massive pension holidays that took place. That money could have been reinvested to benefit pensioners, but no, the companies had the right to pension holidays.

9.30 pm

Mr. Woodward: The hon. Gentleman is obviously excited about what I have said and what might be coming in my speech. He will indeed find that I shall refer to other matters concerning pensions.

Firm after firm report that this careless clause is damaging and vindictive. It is planned for short-term gain but will do long-term harm. Just at the time when Britain is emerging as Europe's most successful country in building up pension provision, along comes the Chancellor and whack—he raids the kitty.

To be charitable, the Government—or some Ministers—may not have not quite understood the impact. Obviously, the Financial Secretary to the Treasury does not quite understand. On 3 July, she told us:

"The measure is good for pensions and pensioners, not bad for them. Furthermore, the existence of pension fund contribution holidays demonstrates that there is scope to absorb the measure."

Hon. Members may be forgiven for being a trifle nervous about the hon. Lady having such responsibility, given her failure to comprehend not how good the measure is for pensions but just how bad it is for them. I will give some examples of how bad it is.

ICI says that the cost of the shortfall to its company alone will be tens of millions of pounds. The Post Office fund reckons that the cost of abolition is some £130 million. To take an individual—Labour Members spend a great deal of time talking and thinking about individuals—a 35-year-old who has accumulated a fund of £20,000 on contributions of £1,000 a year will now pay an extra £315.10 a year to make up the shortfall. That is an extra £26.26 a month. Is that good or bad? The Financial Secretary says that the measure is good for pensioners, but to me that extra cost does not seem all that good.

Chantrey Vellacott has shown that, on average, the 19 million members of company or personal pension schemes—probably even more members than there are of the Prime Minister's fancy club in Sedgefield—will require an average increase in contributions of £190 a year. Is that good or bad? It is bad.

Sir Teddy Taylor (Rochford and Southend, East): Is my hon. Friend aware of the huge problems and worries facing local councils such as Essex county council, which has found and announced only yesterday that it will have to spend several millions of pounds extra on cut services? Is it not rather silly to engage in politics when real problems are facing real councils in providing real services to people, including pensioners and poor people? Would it not be better to stop talking politics and realise that local councils are facing huge problems due to this silly scheme?

Mr. Woodward: My hon. Friend is of course correct and makes a very important point. It is a great shame that Labour Members, in their precipitate haste to hit the ground running, have not considered the impact of the measure on local authorities.

I find the Financial Secretary's conclusion that the Budget will be good for pensioners extraordinary. It demonstrates a fundamental lack of understanding of the economics of the pensions industry and a careless disregard for pensioners themselves.

Mr. Caplin: That is rubbish.

Mr. Woodward: I am sorry that the hon. Gentleman thinks that that is rubbish. Pensioners will not think so in years to come when they find that the money that they thought was there is not there because the hon. Gentleman's party has raided the store.

Lorna Fitzsimons: Will the hon. Gentleman give way?

Mr. Woodward: I will not.

As individuals up and down the country start to calculate just how much money Labour is robbing from their pockets for the future, they will seek out those responsible and those who patronisingly told them, as the Financial Secretary did:

"The measure is good for pensions and pensioners, not bad for them."

The Financial Secretary of course has a defence. She said:

"the existence of pension fund contribution holidays demonstrates that there is scope to absorb the measure."—[*Official Report*, 3 July 1997; Vol. 297, c. 507.]

If we look at the figures, however, as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) did earlier in the debate, we see that three quarters of UK pension schemes are money purchase schemes. They have no surplus. Unfunded, final salary schemes such as the civil service and health pension schemes also have no surplus. Just like the smash and grab raid on the utilities, with the tax on water, gas and electricity, Labour now turns to rob the pensioners. The Chancellor called the Budget a people's Budget. Does he not realise that pension fund money is the people's money?

Lorna Fitzsimons: The hon. Gentleman mentioned certainty for pensioners, and we agree with the need for that, so would he care to comment on the lack of certainty that 18 years of Tory government gave to those people who relied on the constant value of the state earnings-related pension scheme? It was halved in those 18 years, when the Tory Government had responsibility for establishing the certainty that the hon. Gentleman thinks is so important for pensioners.

Mr. Woodward: The hon. Lady knows full well that, after those 18 years, pensioners were considerably better off than they were when we took office. We should remember that when Labour was last in government it froze the state pension for two years in a row. This time, within eight weeks, it is taking more money from pensioners.

Lorna Fitzsimons: Will the hon. Gentleman give way again?

Mr. Woodward: I will not.

The Financial Secretary believes that there is a lot of surplus about. There may be a lot about, but why? It is because the Conservative Government created financial conditions under which companies in Britain could do well, and British pension funds have done well.

What do we see now that the Labour party is in government? We see old Labour. Its attitude is, "If it's successful, tax it." Its motto, amply demonstrated in the Budget, is, "If it is a company that should succeed, tax, tax and tax again." As a result, millions of pensioners will be markedly damaged by the tax on savings and investment.

Much has been made by Labour Members, including the hon. Members for Manchester, Blackley (Mr. Stringer) and for Croydon, Central (Mr. Davies), about investment in research and development, but this is not a Budget for investment. The National Association of Pension Funds has said:

"companies which pay dividends are more likely to invest in research and development. The research and development of dividend-paying companies is also significantly higher than that of non-dividend paying companies."

The idea that UK companies sacrifice research investment in favour of excessive dividend payments should be set aside in the face of that research, unless Labour Members wish to dismiss the work of the National Association of Pension Funds.

The measure will take an extra £50 billion of pension contributions in the next 10 years—money that would otherwise have gone into research and development, investment and creating real jobs, not subsidised employment schemes that will end when the subsidy goes. Far from allowing more money for investment, the measure will hit companies hard. Companies with final salary pension funds will increasingly be required to find additional contributions from businesses, further diverting funds from investment. That will be the case for funds that are not now in surplus and, in the longer term, in most cases as fund surpluses are used up.

The clause is short-termism run amok. Labour has seen a pot of gold to fund its new culture—as Labour Members called it earlier—its new Jerusalem. With all the feather-like delicacy of a sledgehammer, Labour has smashed the pot and grabbed the gold in the hope of playing Robin Hood. However, the only Robin in this story is the robbin' of the savings of every pension fund in the land by Labour.

We have seen the twinkle in Labour Members' eyes and their excitement as they spot the potential to raid the money from pension funds, but the tax has all the properties of a Paul Daniels magic show. Like the magic candle on a child's cake, no sooner have they robbed the funds of £5 billion one year than they will rob them of £5 billion the next. The Labour Government are clearly exposed as serial raiders, but they will discover themselves to be false raiders.

The money is set aside for real long-term investment, a subject about which Labour Members do not care, understand or worry about much. In words and rhetoric, in manifestos, prospectuses and little handouts for the Budget, they care—but as we have seen so ably demonstrated in the Budget and in this specific clause, they do not understand the substance.

When the Labour Government came to power, they said that they would hit the ground running. The only thing that the Government have proved that they will hit running are the elderly. The brutal raid on the pension funds will cause lasting damage to our economy.

Is it not ironic that, wherever they turn, the Government say, "Let's have a review"? Wherever they move, they say, "Let's have a working party." But on this one issue, was there a working party? Was there a review? Was it in their manifesto? No. Why not? Why no consultation? Why no mention in the manifesto? The Association of British Insurers has sensibly called on the Chancellor to put the proposal into abeyance pending consultation. The association has rightly pointed out that it is a major change to taxation policy in the corporate sector. It is a significant change in taxation in our country. What is to be lost by proper consultation? The Government believe in reviews and in working parties, so why is there no working party on the proposed change? Why is there no review?

The clause abolishing the ACT credit is full of potential problems. One cannot ignore the advice from all the bodies in the City that have built up successful funds. To do so is wilfully negligent.

[Mr. Woodward]

In closing, I ask the hon. Lady to bear in mind the request—not from Conservative Members, but from those who have successfully created pension funds—to put the proposal into abeyance until full consultation has taken place.

Mrs. Liddell: I am glad to have the opportunity to respond to the debate. I should tell the hon. Member for Witney (Mr. Woodward) that the Carnegie medal for children's literature was awarded today. I get the impression that that is what his contribution was aimed at achieving. Given that he is a former director of communications for the Conservative party, he has obviously made a career out of saying things that he does not believe.

There has been a more mature debate this evening than we have had on previous evenings. Perhaps the playmates are engaged elsewhere, but we may see them before 10 o'clock.

There has been a brittleness about some of the contributions of distinguished Conservative Members. I am thinking in particular of the shadow Chief Secretary to the Treasury, the right hon. Member for Wells (Mr. Heathcoat-Amory), and the right hon. Member for Cities of London and Westminster (Mr. Brooke), both of whom are distinguished Members in their own right. I recognise that I am a junior Member and it is not for me to criticise, but I have to admit that I feel that there is still an inability to come to terms with the scale of the defeat that the Conservative party suffered on 1 May. I was surprised at some of the remarks that were made.

I shall deal with the points raised by the shadow Chief Secretary—*[Interruption.]* I see that some more hon. Members have joined us. That adds to the atmosphere in the Chamber. The right hon. Gentleman referred to "The Pocket Budget". In another context, the word "sophistry" was used—and it was the word that came to mind in the middle of his speech. I shall return to that in detail later.

If we look at the substance of the clause, we see that its purpose is to take away pension funds' ability to obtain payment of a tax credit, with effect from 2 July. That is part of a two-stage process under which payable tax credits will be removed from the tax system in April 1999.

As I said at the beginning of the stand part debate, the purpose of the change is to remove a damaging distortion from the system while reducing levels of corporation tax. Several Opposition Members have referred to Labour saving up for a spending wheeze in the future. What utter nonsense. The move is part of a Budget that has significantly reduced corporation tax, permitting a better climate for business. I shall develop that idea later, when I talk about what was said by the right hon. Member for Cities of London and Westminster.

9.45 pm

My hon. Friend the Member for Dudley, North (Mr. Cranston) referred to the imputation system. As my hon. Friend pointed out, the tax credit system is designed to mitigate the double taxation of distributed company profits—once at the company level and again in the hands of the shareholder. That is what the system does, continues to do and will still do after the 1999 changes.

However, the old system that we seek to change went further. Some shareholders, such as pension funds, could claim payment of the tax credit. That means that the system did more than relieve double taxation; it effectively reduced the rate on company profits when those profits were distributed. That meant, among other things, that there was an incentive to invest in companies that distributed a high proportion of their profits rather than in those that reinvested profits to build up their capital.

The right hon. Member for Cities of London and Westminster talked about his time some years ago at the Harvard business school. I wish that I had had the opportunity to study there, but I shall refer him further back, to the days of the industrial revolution.

After the industrial revolution, there was a decline in Britain's industrial performance because subsequent generations did not reinvest their profits. Basically, the present change is designed to create a climate in which companies can again, of their own volition, through decisions based on their own judgment, reinvest their profits.

We have heard numerous references to short-termism, but most graphically and eloquently from my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper). The climate of short-termism has been the cause of considerable concern to people in British business.

The right hon. Member for Cities of London and Westminster, as a defender of the City of London—in my role as Economic Secretary I, too, have cause to defend the City—says that it does not necessarily breed short-termism. I must tell him that the pressure on companies to maximise dividend payments and the pressure that the tax system puts on them to distribute their profits in payments to pension funds breed a forced short-termism in the performance of company executives and boards. That in itself is a significant distortion.

The right hon. Member for Wells said that £5 billion would be lost to pension funds. His figures are wrong. The figure that I have is about £3.6 billion. I think that the right hon. Gentleman may have taken into account shareholders' dividends, some of which are not distributed in the United Kingdom, at the same time. That is the only conclusion that I can draw from the figures he used.

The right hon. Gentleman's peroration was not in character, as he is said to have a reputation for intellectual honesty. I can only conclude that, for want of a better argument, he has stooped to trying to frighten people who are saving for their pensions. That is especially offensive, in view of the misselling of pensions that took place on such a massive scale, without correction, during the life of the Government of which he was for so long a member.

It is important that pensioners have a clear view of exactly what the proposals are. The previous Government made a similar change in 1993, reducing the rate of tax credit from 25 per cent. to 20 per cent. Last year, they took action against some of the more blatant exploitation encouraged by the distortion of payable tax credits by removing them from share buy-backs and certain special dividends.

I am tempted again to refer to the remarks made by the right hon. Member for Hitchin and Harpenden (Mr. Lilley), who pointed out that the Government had sought to raise revenue in a way that did the least economic damage, but I will resist the temptation to develop that point. The previous Government did not use any of the money that was raised to cut the rate of corporation tax, as we have done.

The hon. Member for Gordon (Mr. Bruce) asked why we were making the change now: it is because, according to the Government Actuary's assessments, many pension funds are in surplus by as much as £50 billion. In combination with the current high level of the stock market, that means that there is a much greater opportunity for funds to absorb the change without any great difficulty.

Mr. Swinney: Will the Economic Secretary give way?

Mrs. Liddell: I shall give way to the hon. Gentleman in a second, because I know that he did not get a chance to contribute to the debate.

I reiterate the point that pension funds should benefit substantially from the improvement in company performance as a result of the Budget.

Mr. Swinney: I am grateful to the Economic Secretary for giving way. There is undeniably a surplus in many pension funds. Can she give the Committee a guarantee that there are no solvency questions over any pension funds that may be affected by the proposed change?

Mrs. Liddell: I believe that the hon. Gentleman is referring to the minimum funding requirement for pension funds. The vast majority of funds are comfortably above that, and my right hon. Friend the Secretary of State for Social Security keeps a close watch on such matters, so we are alert to any possible problems.

The Government did not take the decision on the abolition of tax credits lightly. Several references have been made to our election manifesto. I am sure that Conservative Members have copies of it—indeed, I can see that the hon. Member for Witney has one in front of him—and if they would care to turn to page 13, they will see that the penultimate paragraph says:

"We will review the corporate and capital gains tax regimes to see how the tax system can promote greater long-term investment."

That is a clear sign of the Government's intention, which was flagged up two years before the general election by my right hon. Friend who is now Chancellor of the Exchequer.

The hon. Member for Gordon spoke of the possibility of compensating adjustments in the comprehensive review of pensions. It is not my place to refer to what the Under-Secretary of State for Social Security, my hon. Friend the Member for Southampton, Itchen (Mr. Denham) is doing in that comprehensive, long-term review. I am sure that hon. Members in all parties will acknowledge that it could not be in better hands. Announcements will be made in due course. I am grateful to the hon. Member for Gordon for acknowledging that the Government have valid arguments.

My hon. Friend the Member for Dudley, North made a good point about how pension funds are valued, which is an area of considerable debate both here and internationally. As he said, valuation is often by reference to discounted cash flow. A number of commentators—not least in the press today, as a consequence of the Office of Fair Trading report—have said that that method is outdated. Indeed, in the United States, much more regard is given to share values.

A number of companies are considering, with their fund actuaries, whether the basis of valuation should be changed. There is certainly an argument. The time has come for companies to consider seriously the basis of valuation.

The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) referred to the tax privileges of pension schemes. Whenever I intervened to ask him whether he had referred in his manifesto to cutting tax relief on employee contributions, he seemed confused about what I was getting at. The party of which he is a member—indeed, the previous Government—was going to cut the tax relief on employee contributions to occupational pension schemes. My right hon. Friend the Chancellor of the Exchequer said clearly during his Budget statement that this Government will not proceed with that move because we believe that it was a wrong decision on the part of the previous Government.

The hon. Member for Bognor Regis and Littlehampton also referred to the fact that pension funds are tax vehicles. Pension funds' tax exemptions have always been limited and there is a good reason for that. For example, they have never been tax exempt on trading income or other income from investments or deposits. If funds have excessive surpluses, they are also taxable on excess income. They are not, however, being taxed on dividends. We are stopping a subsidy received from the Exchequer.

On a number of occasions this evening we have discussed pensions misselling. I do not contend that it can possibly be right that the victims of pension misselling should, by their own tax payments, be subsidising pension funds. They really are caught in what the right hon. Member for Cities of London and Westminster described as a double whammy.

The hon. Member for Bognor Regis and Littlehampton also made a number of points about the Red Book. It allows for extra pension contributions by companies because that affects the yield from corporation tax. Local authorities do not pay tax, so there is no similar need to refer to them on page 46 of the Red Book.

Mr. Gibb *rose—*

Mrs. Liddell: I shall give way if the hon. Gentleman will be brief. I am conscious of the time.

Mr. Gibb: I realise that, but the point is that if the Government have made an allowance for companies to pay higher contributions into their pension funds, why have they not somewhere else in the Red Book, on the

[Mr. Gibb]

expenditure side, made allowance for the fact that local authorities will have to make extra contributions to their pension funds?

Mrs. Liddell: I refer the hon. Gentleman to the debate on local authorities that we had about two hours ago. I do not want to go over that ground at the moment, because I am anxious to answer the other points raised by Opposition Members.

The right hon. Member for Cities of London and Westminster made claims about windfall tax damage. As my hon. Friend the Paymaster General made clear in a number of debates on the Budget and the Finance Bill, the Government believe that liable companies can find the means to pay the windfall tax without needing to curtail investment.

To return to the general point that the Government and I have made throughout this debate, our purpose in the clause is to remove a significant distortion. We want to create the sort of system in which companies, particularly those that might be involved in investments that do not necessarily have a high return at the beginning, for example in new technology or research and development, can fund those investments from their own resources. That is a sound way for companies to make their business grow.

In effect, that is what lies at the heart of the change that the Government are introducing in the Bill. We are committed to ensuring that, as Britain enters the 21st century, our companies have the revenue that will allow them to invest for the long term. That is one of the reasons we have reduced the level of corporation tax from 33 to 31 per cent., and from 23 to 21 per cent. for small companies. We want to move away from short-termism, a move that will benefit business generally. I commend the clause to the House.

Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 334, Noes 182.

Division No. 61] **[9.59 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Christine
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Cunningham, Rt Hon Dr John *(Copeland)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Dewar, Rt Hon Donald
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Galbraith, Sam
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas

McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. John McFall and
Mr. David Jamieson.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard *(Sheff'ld Hallam)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Ashdown, Rt Hon Paddy
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Mrs Jackie
Beggs, Roy *(E Antrim)*
Beith, Rt Hon A J
Bercow, John
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burns, Simon
Burstow, Paul
Butterfill, John
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davey, Edward *(Kingston)*
Davis, Rt Hon David *(Haltemprice)*
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Fallon, Michael
Fearn, Ronnie
Flight, Howard
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Heath, David *(Somerton & Frome)*
Heathcoat–Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard *(N Essex)*
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mates, Michael
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Soames, Nicholas

Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Stunell, Andrew
Swayne, Desmond
Swinney, John
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Temple-Morris, Peter
Thompson, William
Tonge, Dr Jenny
Townend, John
Tredinnick, David
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Walter, Robert
Wardle, Charles
Webb, Professor Steve
Wells, Bowen
Welsh, Andrew
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willis, Phil
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Nigel Waterson and
Mr. Oliver Heald.

Question accordingly agreed to.

Clause 19 ordered to stand part of the Bill.

Bill (Clauses 1, 15, 17 and 19) reported, without amendment; to lie upon the Table.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Public Health

That the Food Protection (Emergency Prohibitions) (Paralytic Shellfish Poisoning) Order 1997 (S.I., 1997, No. 1565), dated 20th June 1997, a copy of which was laid before this House on 24th June, be approved.—*[Mr. Robert Ainsworth.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Monopolies and Mergers

That the draft Supply of Beer (Tied Estate) (Amendment) Order 1997, which was laid before this House on 26th June, be approved.—*[Mr. Robert Ainsworth.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Northern Ireland

That the draft Further Education (Northern Ireland) Order 1997, which was laid before this House on 3rd July, be approved.—*[Mr. Robert Ainsworth.]*

Question agreed to.

PUBLIC ADMINISTRATION

Ordered,

That Mr. Peter Bradley, Mr. Ronnie Campbell, Dr. Lynda Clark, Mr. Mike Hancock, Miss Melanie Johnson, Mr. Fraser Kemp, Fiona Mactaggart, Mr. Rhodri Morgan, Mr. David Ruffley, Mr. Richard Shepherd and Mr. Andrew Tyrie be members of the Select Committee on Public Administration.—*[Mr. Robert Ainsworth.]*

Mr. Deputy Speaker (Mr. Michael Lord): With the leave of the House, we shall take the next three motions together.

FOREIGN AFFAIRS

Ordered,

That Ms Diane Abbott, Mr. Donald Anderson, Mrs. Virginia Bottomley, Sir Peter Emery, Mr. Norman A. Godman, Mr. David Heath, Mr. Eric Illsley, Mr. Andrew Mackinlay, Mr. Ernie Ross, Mr. Ted Rowlands, Sir John Stanley and Mr. David Wilshire be members of the Foreign Affairs Committee.—*[Charlotte Atkins, on behalf of the Committee of Selection.]*

HOME AFFAIRS

Ordered,

That Mr. Richard Allan, Mr. Robin Corbett, Mr. Ross Cranston, Mr. Douglas Hogg, Mr. Gerald Howarth, Ms Beverley Hughes, Mr. Martin Linton, Mr. Humfrey Malins, Mr. Chris Mullin, Mr. Marsha Singh and Mr. David Winnick be members of the Home Affairs Committee.—*[Charlotte Atkins, on behalf of the Committee of Selection.]*

TREASURY

Ordered,

That Mrs. Liz Blackman, Mr. Malcolm Bruce, Mr. Charles Clarke, Mr. Tony Colman, Mr. Jim Cousins, Mr. Quentin Davies, Ms Ruth Kelly, Sir Peter Lloyd, Mr. Giles Radice, Mr. Brian Sedgemore, Sir Michael Spicer and Sir Teddy Taylor be members of the Treasury Committee.—*[Charlotte Atkins, on behalf of the Committee of Selection.]*

Prisons (Drug and Alcohol Abuse)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

10.17 pm

Mr. Humfrey Malins (Woking): I am glad to have the opportunity—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Member may like to wait a moment. Will hon. Members leave the Chamber as quickly and as quietly as possible?

Mr. Malins: I am glad to have the opportunity to raise the important matter of drug and alcohol abuse in prisons. The problem gets worse by the day, and may reach crisis level unless urgent action is taken.

I shall make two preliminary points. First, I declare an interest as a practising solicitor in the field of crime for many years, a former acting metropolitan stipendiary magistrate, and a recorder of the Crown court. Secondly, I shall not seek to score party political points. The problem that faces this Government was faced by the Conservative Government. As with many other issues, it would benefit from an all-party approach by hon. Members who wish to be constructive and who have some knowledge of and an interest in this subject.

The problem of drug and alcohol abuse in prisons is much more acute than the public realise.

Let us go back a little in the offenders cycle and understand that drug and alcohol abuse is a major contributor to criminal offending. Some 50 per cent. of property crimes in this country are related to substance misuse. Most burglars who appear before me have taken the goods simply to sell them to raise the money to fund their drug habit, some of them needing as much as £500 a week. More than half the criminal cases in London's magistrates courts are drink or drug-related, and 20 per cent. of people who are arrested in police stations test positive for drugs.

A defendant who is addicted to drugs or alcohol may be sent to prison. What next? Incredibly, his problem may get even worse. There are more than 130 prisons, and 150,000 people pass through our prison system each year. Some 25 per cent. of receptions are on drugs at the point at which they enter the prison system. Drug use and distribution in prison can and often do become the focus of daily activity, filling the vacuum left by the regrettable absence of work and education opportunities.

Are drugs of all sorts and alcohol freely available in prison? In a written reply on 14 July, the Minister told me that, in the year 1996–97, some 21,700 mandatory drug test samples were positive. That figure includes results from both random and targeted tests that led to 16,757 adjudications for misuse of controlled drugs. Information on the number of instances of alcohol consumption was not available, but, anecdotally, I hear that it is very high.

How do these substances get into our prison system, and what should we do about it? There are perhaps four main ways. First, they enter through social visits by the friends and families of prisoners who are allowed contact visits, who I understand are not intimately searched. Secondly, prisoners themselves can and do bring drugs back into prison after collecting them on some outside trip, perhaps to court for a remand or on a hospital visit.

Thirdly, there are clearly some breaches of the perimeter walls of our prisons, and drugs are occasionally thrown over them to be collected at a preordained point. Fourthly—one is reluctant to say this, because by and large our prison staff are dedicated and excellent—it is likely that in the system there are some corrupt staff and, indeed, some corrupt professional visitors—lawyers and the like—who abuse their preferential access by bringing in drugs.

I recently asked the Minister whether he would make it his policy to see that prison officers, before they came on duty, were subject to the same search policy as that which applies to visitors. The answer was no. I was told that professional visitors, including prison officers, would be subject to a modified search, while general visitors would continue to be subject to a full rub-search procedure. That follows the Prison Service assessment that, although there are exceptions, professional visitors and staff generally pose a lower risk.

It may not be possible to eliminate these substances entirely in prisons, and perhaps I am naive in hoping that we might. Let us not forget that more than 1,300 visitors were arrested trying to smuggle illicit drugs into prisons in the past year. The Minister should consider the introduction of even more draconian measures to make the problem of getting drugs and alcohol into prisons, which is fairly easy at the moment, nearly impossible in times ahead.

I have four suggestions for the Minister, which may help. First, prison officers, all professional visitors and all prison staff could, and perhaps should, be subject to a full rub-down search on entering a prison. Secondly, any prisoner who tests positive after a mandatory drugs test should receive only non-contact visits for the remainder of his or her sentence.

Thirdly, any such prisoner should also receive a substantial loss of remission of sentence. Fourthly, in addition to any other penalty, any visitor who is caught attempting to smuggle drugs or alcohol into prison should not be entitled to a further visit to that prison or the prisoner during the remainder of the prisoner's sentence.

Many of those in prison who are addicted to alcohol or drugs cry out for help, and it is that area on which I shall now concentrate. Alcoholism and drug dependency are arguably illnesses which can never be cured. However, I am convinced that substantial investment to help to get addicts off drink or drugs is money well spent. It will ultimately save this country's criminal justice system and people much money and personal anguish.

I am not sure that much has been done until relatively recently. For many years, I have visited and talked to dozens, possibly hundreds, of prisoners throughout the south-east. Many have been addicts. They have all known that drugs and alcohol were freely available. I have always asked, "What is done here in this prison to help people who wish to be helped to get rid of the habit?", and all too often I have received the reply, "Not very much."

I recently visited Coldingley prison in the constituency of my hon. Friend the Member for Surrey Heath (Mr. Hawkins), where I learned more about the outstanding work of RAPT—the Rehabilitation of Addicted Prisoners Trust. My hon. Friend the Member

[Mr. Malins]

for Westbury (Mr. Faber) is a trustee of that outstanding organisation, and I commend him for his work and interest.

RAPT recognises that the majority of inmates continue to use drugs while in prison, and that some will develop the habit for the first time during their stay. It knows, as we know, that the use of drugs in prisons causes problems of violence, disorder and intimidation as well as the spread of infection. It points out that the average cost to the taxpayer of keeping someone in prison is nearly £24,000 a year, and that, unless the addict's problem is confronted and treated in prison, he is almost certain to return to uncontrolled drug use and crime on release. Time in prison is an ideal time to break the vicious cycle of drug abuse, crime and imprisonment.

RAPT is a charity offering treatment to alcoholics and drug addicts in prison. It was established under the name of the Addictive Diseases Trust in 1991, opening its first treatment unit in Downview prison a year later. Its aim is to help prisoners to recover from addiction while serving a prison sentence, and its programmes are based on the principle of 12-step recovery, which was first applied in prisons in the United States, but was extensively modified to fit the requirements of our system.

RAPT uses trained counsellors, many of whom are recovered addicts, some with experience of prison life. It has intensive and abstinence-based programmes. It does not offer a soft option. It is a tough course, but it is successful.

Early evaluation results have shown that more than 50 per cent. of those received on to RAPT's programmes, which are established in a number of prisons, progressed to graduation, usually after 10 to 12 weeks. Among those graduates, relapse into drug misuse and reoffending is rare. I was privileged to meet former prisoners who have successfully completed the programme and are voluntarily helping others to help to recover their self-esteem. One prisoner said:

> "Before coming on the programme, I had used drugs almost every day for the previous 19 years of my life sentence. It is still astounding to me that I had to come to prison to find my freedom. I have not had a drug or a drink for three years, and I am still inside. It's a miracle."

The RAPT programme has been praised by many people in positions of authority, and I commend it and its like to the Government.

Therefore, my message to the Government is this. Let us all strive to prevent the circulation of drink and drugs in prison: first understand the scale of the problem; next, continue the previous Government's anti-drug strategy, which has had some success and which I commend in many ways; continue the mandatory drug testing scheme, despite its problems, which we know about; increase the resources available for drug treatment programmes in the prison system; give prisoners real incentives to take advantage of treatment options; consider whether the programme so successfully undertaken by RAPT can be further encouraged and extended; improve after-prison care.

In the face of what I believe the whole House would acknowledge to be a serious problem, the Government and the Minister will need to be tough but sensitive, and, above all, thoughtful. If he is, he will have the support of the whole House.

10.29 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): I am grateful to the hon. Member for Woking (Mr. Malins) for raising what I agree is an important and pressing issue. I am grateful to him for continuing the bipartisan approach that we adopted when in opposition. The hon. Gentleman was kind enough to brief me on the issues that he intended to raise, which has given me the opportunity to make a better-informed response. He made a thoughtful and constructive speech, and paid generous tribute to a number of organisations and individuals, which was helpful.

I welcome the opportunity to outline the Prison Service initiatives to reduce the supply of drugs and alcohol into prisons, to deter prisoners from misusing drugs and to provide treatment for substance misusers, from whatever source the abuse arises.

The hon. Gentleman will be aware that the Prisons (Alcohol Testing) Act was enacted in March this year. The Prison Service is currently considering the potential costs of implementing a pilot programme of mandatory alcohol testing. It is not intended that testing for alcohol will operate on the same scale as mandatory drug testing. That is not because we do not think that it is a serious problem, but it is likely to be undertaken mainly on suspicion, with the possibility of random testing under certain circumstances—perhaps where there is a known and particular problem of alcohol misuse among prisoners released on temporary licence.

The issue about which the hon. Gentleman expressed the greatest concern was stopping the smuggling of drugs through prison visits and other means. Between 1 March 1996 and 28 February 1997, there were 2,183 incidents involving drugs in prison in which the means by which the drugs entered the prison could be determined. In 80 per cent. of those incidents, the drugs were found on visitors to prisoners. In other cases, they were brought in by prisoners or thrown over the perimeter, to be picked up at a prearranged time and place.

A great deal of energy has been devoted to improving the supervision of visits. Improvements have included the use of passive sniffer dogs—I have seen them in some establishments—which are trained to sit in front of a person carrying the drugs, blocking their way. There are clear notices at entrances and in other parts of the prison, setting out the consequences if people are intercepted and prosecuted for carrying drugs. On Thursday, I visited Feltham young offenders institute and saw how effective and clear the notices are. No one is left in any doubt that the police will be brought in and firm and swift action taken.

Other improvements include the use of locker rooms to minimise the belongings that visitors may carry into the visits. Another initiative is the use of low tables and fixed seating to make the passing of drugs more difficult. It requires a little imagination, but not much, to realise how effective that can be in certain circumstances.

Closed circuit television operates in a number of areas, as I saw in many institutions. I have seen the evidence that shows visitors passing drugs. It is often the least likely visitor who passes drugs to a family member or other prisoner he or she is visiting. The use of closed or non-contact visits for those found guilty of a drugs offence is another initiative used in some circumstances.

A pilot programme of mandatory closed and non-contact visits for any prisoner found to have misused drugs is being carefully evaluated. We are certainly prepared to consider such measures.

Most important, there has been enhanced use of intelligence about prisoners and their visitors to intercept drugs that are intended for prisoners and to detect drugs that are already in prisons.

The Prison Service must consider the competing needs of security, reducing drug supply and enabling prisoners to maintain reasonable contact with family and friends, which is a difficult balance to strike. The drugs problem could be eradicated if we eliminated all contact between prisoners and the world outside their cells. Although the hon. Member for Woking said that we may need more draconian measures, I do not think that he would think that such action would be desirable in all circumstances. We must specifically take into account the difficulties of prisoners with children who visit.

The Prison Service is in the business of assessing and managing risk, best to target available resources to the source of the greatest threat. That is the sensible way in which to deal with the problem. Governors are well aware of the possibility of drugs being thrown over perimeter walls and are under clear instructions to ensure that, as far as possible, local searching strategies deal with the possibility.

After some well-publicised incidents in the past few years, and as part of wider measures to improve security, search procedures for prisoners and visitors have improved. Particular attention is being paid to searching prisoners returning from temporary release, because that is one obvious route for drugs into prisons.

The hon. Member mentioned rub-down searches. Generally, such searches are not conducted every time a visitor enters any prison, although they are carried out in category A prisons. Visitors to prisoners are given a full rub-down search that involves a visual check of the ears, nose, mouth, hair and shoes. Professional visitors—including probation officers and lawyers and staff—from whom there is thought to be a lesser risk do not have ears, nose, mouth, hair or shoes searched.

It is self-evident that there is a greater risk of smuggling from visitors to prisoners. Under pressure from a spouse or son, many visitors will be under enormous pressure to smuggle drugs into prison, particularly if they believe that it will make life easier for their loved ones. I realise that other types of pressure can be brought to bear—such as, for example, if groups target friends or relatives outside prisons. At non-category A prisons, the level of searching is decided by the governor, depending on the risk and the category of prison. By no means will all visitors always be subject to a full rub-down search.

The hon. Member for Woking mentioned intimate searching—by which I assume that he means searching of body orifices. Such searches of visitors by prison staff is unlawful. Strip-searching of visitors is permitted, but only on the basis of reasonable cause—which the hon. Gentleman, as a lawyer, will understand. Governors are empowered to refuse visits by close relatives and others on the grounds of security, good order and discipline, or in the interests of prevention or discouragement of crime.

The hon. Member paid proper respect to those who work in the Prison Service, but felt that perhaps attention should be paid particularly to prison officers as a source of drugs in prison. The difficulty with such an argument is that there is not a great deal of evidence to support it. Centrally held records kept over the past four years show that no members of staff have been disciplined for involvement in drug supply in prisons.

In six cases, staff have either been dismissed or resigned because of drugs-related behaviour, but that behaviour occurred away from the prison. Seven staff members have been disciplined for bringing alcohol into prison without authority. Of those, two were dismissed and four resigned before the matter could be brought to a conclusion. Nevertheless, it is impossible to deny with absolute certainty that drug smuggling by staff occurs. The available evidence, however, does not suggest that it is a significant problem. If the hon. Gentleman has any evidence, or is aware of any evidence, that would take us further, I should of course be glad to receive it. The Prison Service certainly takes a most serious view of any staff involved in such activities, and the police would become involved in those circumstances.

I must say a few words about mandatory drug testing. When it was introduced, I was the Opposition spokesman with the relevant responsibility. The Labour party gave its full support to what has been an important innovation. Mandatory drug testing provides, among other things, a clearer picture of the levels of and trends in drug misuse in prison, which assists in the targeting of treatment resources and provides an indicator of where drug strategies are having success and where they need greater impetus. It is also important to send a clear message to inmates that drug misuse in prisons will not be tolerated. We must reinforce that message time and again.

In 1996–97, approximately a quarter of random mandatory drug tests proved positive, the vast majority being for cannabis. There is widespread concern, which the Government share, about the perverse incentive to switch from cannabis to more harmful drugs such as opiates which are detectable for a shorter time in a urine sample because they stay in the bloodstream for a shorter time.

The average figures for the estate as a whole conceal a great deal of variation in individual prisons. More work needs to be done on that. The Prison Service aims to learn from prisons with low levels of drug misuse and to apply successful initiatives in other establishments.

An option open to prisons under the mandatory drug testing programme is to test prisoners at random on reception. Some 550 prisoners were tested on reception in 1996–97, far fewer than under the random testing programme. Nevertheless, the percentage of samples proving positive on reception was 10 per cent. higher than in random tests across the whole prison population. That might tell us something. It suggests that imprisonment does not necessarily worsen drug misuse—perhaps even the reverse.

Research into mandatory drug testing effectiveness has been undertaken, most notably that commissioned by Oxford university and the National Addiction Centre. The Oxford research into attitudes to mandatory drug testing and wider drug misuse is being conducted at five establishments. I shall perhaps say more about that later.

A first phase of interviews was undertaken between February 1996 and April 1997. The researchers are now making return visits to the five establishments to gauge changes in attitudes and perceptions over time. The initial

[Mr. George Howarth]

findings are that mandatory drug testing is only partly successful in deterring prisoners from misusing drugs or causing them to cut down. We need to gather more evidence, and I am not sure that we have a precise picture of what is going on. I certainly mean to keep the data under review to make sure that we get things right and that we are properly informed about what action needs to be taken. The hon. Member for Woking also mentioned treatment in prisons, which we consider very important.

The Prison Service strategy cannot be about ever-tighter controls alone, although they are important. It must recognise that we need measures to reduce demand and minimise the risks to the health and bodies of individual misusers and, in the longer term, of the public.

All prisons have for some time provided detoxification, education and counselling to prisoners with substance misuse problems via the health care centre, the probation department or community drug agencies. Many have gone further, providing, for example, rehabilitation units or drug-free areas supported by voluntary testing. These are important sources of help.

Some 59 prisons are now involved in treatment. The additional cost this year is more than £6 million. Resources are being earmarked, and work is extending throughout the prison population. There are several variations, including therapeutic communities and community-linked through-care programmes. We attach great significance to all of them.

The hon. Gentleman mentioned RAPT. I acknowledge the good work that it does, not just at Coldingley, but at Downview, Pentonville, Wandsworth and Norwich prisons. I had an opportunity to visit the programme in its early days at Downview. It is an impressive and effective way to deal with the difficulties.

That is just one of the many community drug agencies that the Prison Service is working with in a proper partnership approach. We aim to break the vicious circle of drug misuse, crime and imprisonment. All those agencies—and perhaps some others that we are not yet using—have a valuable contribution to make.

The ultimate objective is for all drug misusers in prison to have access to appropriate and cost-effective treatment. We had a manifesto commitment to introduce voluntary testing units so that all prisoners who feel able to do so can prove that they are drug-free. That could be an important contribution to help bring the problem under control. Officials are working on the practicalities. I expect to receive advice in the autumn, when we hope to bring the plans forward.

The drugs strategy is multi-disciplinary and multi-agency. We intend to keep it that way. I have met many of the staff involved, who play an important role in drug education, counselling and bringing together agencies and other resources to deal with the problems. We should congratulate them.

It is important that the strategy involves not just security and health care, but probation officers, psychologists and, when appropriate, the chaplaincy. It also relies heavily on drug workers from outside community agencies. I do not claim that improvements cannot be made, because they can, but there is a balance to be struck. The hon. Gentleman mentioned the necessary elements of that balance. I shall consider that over the next few months. We take the problem seriously and hope to get to grips with resolving it. It is important that people are rehabilitated while they are in prison, not exposed to more drug problems.

Question put and agreed to.

Adjourned accordingly at fourteen minutes to Eleven o'clock.

House of Commons

Thursday 17 July 1997

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

Food Standards Agency

1. **Ms Shipley:** To ask the Minister of Agriculture, Fisheries and Food what preparations his Department is making for the establishment of a food standards agency. [7274]

The Minister of Agriculture, Fisheries and Food (Dr. Jack Cunningham): My Department, with the Department of Health and other interested Departments, is working towards publication of a White Paper in the autumn, which will set out the Government's proposals for the food standards agency. We have already made changes to the organisation of the Ministry of Agriculture, Fisheries and Food to prepare for the agency.

Ms Shipley: Many of my constituents in Stourbridge have raised the issue of food standards and safety with me, both before and after the general election. Can my right hon. Friend be more specific about publication of the White Paper and tell me what food standards measures his Department is implementing in the interim?

Dr. Cunningham: We have already conducted preliminary consultations on Professor James's report. My Department is now analysing the responses to that consultation. We shall draft the White Paper and make it available to the House and the public as soon as we possibly can. I am working with my right hon. Friend the Secretary of State for Health on appropriate interim arrangements to ensure that, if necessary, we can expeditiously deal with any food health problems that may arise.

Mrs. Spelman: Does the Minister agree that a Cabinet Minister should retain ultimate responsibility for food safety in the United Kingdom?

Dr. Cunningham: The food standards agency will be an independent executive agency. It will report to the Secretary of State for Health.

Dr. Gibson: Does my right hon. Friend agree that development of the food standards agency will require the support of world-class research into the food sciences? If he does, will he consider a visit to the Institute of Food Research, in Norwich, as a part of the essential process of establishing a food standards agency?

Dr. Cunningham: Yes. As a scientist myself, I am absolutely certain that any decisions that we make on the matter should be based on the very best possible scientific analysis and advice. In answer to my hon. Friend's second question, yes, I will try to visit his constituents in Norwich.

Mr. Baldry: Doubtless the Minister will want the maximum openness and transparency on the issue. Will he, therefore, kindly undertake to place in the Library the responses to Professor James's consultation, so that hon. Members may have some good reading over the long recess? Will he also consider following the excellent example of the Secretary of State for International Development, who, before publication of her White Paper, held a debate in the House in Government time? May we have a debate, in Government time, before publication of the White Paper on the food standards agency?

Dr. Cunningham: On the first part of the question, I should tell the Gentleman that there have been more than 600 responses to the consultation. In the interests of openness and transparency, I think that I can say—although that has a certain European parliamentary ring about it—that, yes, I will place copies in the Library. On the second part of the hon. Gentleman's question, debates in Government time are a matter for my right hon. Friend the President of the Council.

Genetically Engineered Crops

2. **Dr. Lynne Jones:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to ensure that genetically engineered crops are separated from the main crop. [7276]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): Under World Trade Organisation rules, it is not possible for Governments to demand segregation of genetically modified crops that have been approved as safe. Manufacturers and retailers, however, are free to pursue segregation on commercial grounds. Many United Kingdom supermarkets are demanding ever greater product traceability from their suppliers. There is no reason why they cannot do the same with genetically modified crops.

Dr. Jones: Does my hon. Friend agree that the public's right to have their food labelled with pertinent information is more important than the rights of multinational food companies to make large profits by claiming that they are unable to separate genetically modified crops from the main crop? Will he use his best endeavours to ensure that such labelling occurs?

Mr. Rooker: The answer to both my hon. Friend's questions is yes.

Hill Livestock Compensatory Allowances

3. **Mr. Collins:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement about the operation of hill livestock compensatory allowances. [7277]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): In England, 98 per cent. of claims under the 1997 scheme were paid by the target date of 30 April. The 1998 scheme is now open for cattle claims, and the application period for sheep claims will be open as usual in December.

Mr. Collins: Does the Parliamentary Secretary agree that much of the beauty of areas such as the Lake district depends on the hard work of hill farmers? Is he aware that, with sheep prices now falling and the continuing and accelerating difficulties in the beef sector, many hill farmers in my constituency and elsewhere are facing genuine problems? Will he therefore look with sympathy on their case for an uprating of HLCAs in the coming year?

Mr. Morley: HLCAs are indeed an important support package for farmers in the uplands. However, I have to point out that when the Tory party was in government it made no provision for the £60 million that it gave to the beef sector in the uplands this year. That £60 million is not in next year's accounts, which will cause some difficulty in providing support through HLCAs.

Mr. Curry: Would not the review of the upland payments be easier if the Government acted now to prevent the damage it will inflict on the incomes of hill farmers, and beef suckler herds in particular, and withdrew the ill-founded proposal to put a 560 kg weight limit on the animals eligible for culling? Does he not realise that that alone could cost hill farmers—honest hill farmers, not those out to fiddle the system—up to £150 per beast? With the next green pound revaluation now imminent, why does the Parliamentary Secretary not do what the Ministers of eight other countries have already done and go to Brussels to get the compensation to which he is entitled for his farmers, who will otherwise suffer?

Mr. Morley: May I first welcome the right hon. Gentleman to his first Question Time in his new role? I repeat: if the previous Government felt that support for the suckler sector was so important, why did they make no provision for the £60 million in the Ministry's budget next year? It is true that there is hardship for the suckler sector because of the changes that have been made, but the Opposition spokesman will be aware that the total cost of bovine spongiform encephalopathy support is £3.5 billion of public money, spending for which the previous Administration bear some responsibility because of their incompetence.

Mr. Curry: Does the hon. Gentleman not realise that, since this Government came to power, there have been two major green pound revaluations, because the Chancellor let go of control of interest rates, and a third is imminent? As farmers are suffering severe income loss as a result, are they not entitled to get compensation from Brussels? Why does the hon. Gentleman not do what eight of his colleagues at the Council of Ministers are doing and get that benefit for his farmers—or does he not care enough?

Mr. Morley: In relation to the revaluation of the green pound, my right hon. Friend the Minister of Agriculture, Fisheries and Food has already met a delegation of farmers from the National Farmers Union and made it clear that we are considering that point.

Meat Hygiene Service

4. **Mr. Bayley:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement about the future of the Meat Hygiene Service. [7278]

Dr. Jack Cunningham: The Government are looking carefully at the options for the future of the Meat Hygiene Service following the consultation exercise on Professor James's report into the establishment of an independent food standards agency. The report itself recommends that the new agency should take over responsibility for the Meat Hygiene Service.

Mr. Bayley: I thank my right hon. Friend for that useful answer. I, too, think that the Meat Hygiene Service should become part of the agency. My right hon. Friend will be aware that York is not just Britain's but Europe's biggest centre for bioscience and has many agencies from his Department other than the Meat Hygiene Service—for example, the Pesticides Safety Directorate and the Central Science Laboratory. Would he like to come to York to see what they contribute to food safety, and will he give me an assurance that, wherever the headquarters of the new food standards agency is based, the Meat Hygiene Service will remain in York?

Dr. Cunningham: I very much hope that my hon. Friend remains in York, too, as the Member of Parliament. No proposal has been made, by Professor James or anyone else, to relocate the Meat Hygiene Service. I can assure my hon. Friend on that point. In the coming months, I will try hard to visit him and his constituents in York.

Mr. Clifton-Brown: Does the Minister consider that the food standards agency should adopt the role of regulator of the Meat Hygiene Service, which should remain? Does he also believe that it is in the interests of the public that we have the highest possible standards of hygiene and that the consumer deserves nothing less from products coming in from Europe?

Dr. Cunningham: The food standards agency will subsume the Meat Hygiene Service and its necessary activities. I certainly agree that we must drive up standards of hygiene in food generally and in the meat industries in particular. I hope that my European ministerial colleagues at next week's Council of Ministers vote to implement the same rigorous controls over specified beef risk materials that we have in this country. As I have told the House on more than one occasion, if they do not, I shall table orders in the House to ensure that beef imported to Britain is subject to those rigorous controls.

Mr. David Heath: Is the Minister aware that some of the abattoirs that have worked most closely with the Meat

Hygiene Service and offer the best levels of hygiene and welfare facilities have been inexplicably excluded from the over-30-months cull? That is causing enormous difficulties for farmers, agents and hauliers throughout my constituency and, I think, in most of the country. Will he intervene to avoid another agricultural crisis?

Dr. Cunningham: I am not aware of any impending crisis. The scheme, which, as I am sure that the hon. Gentleman knows, is administered by the Intervention Board, is subject to competitive tendering to ensure that we get the best value for the large amounts of taxpayers' money involved, running to hundreds of millions of pounds.

Common Fisheries Policy

6. **Mr. Bernard Jenkin:** To ask the Minister of Agriculture, Fisheries and Food what proposals he has for reform of the common fisheries policy. [7280]

Dr. Jack Cunningham: The Government are pressing for the common fisheries policy to be improved in a number of ways, including strengthening the economic benefits that countries derive from their quotas, improving the effectiveness of enforcement measures and introducing a greater regional dimension into decision making.

Mr. Jenkin: Will the Minister give the House two assurances? First, will he assure us that coastal strips predominantly fished by the non-sector industry will for ever remain exclusively for UK boats after 2002, when the current derogation expires? Secondly, will he assure us that the North sea will never be fished by other national fleets except those that already fish there? The pressure on quotas is already destroying this country's inshore fisheries.

Dr. Cunningham: I can give the hon. Gentleman the assurances that he seeks on both counts. I know that fishermen in Brightlingsea, West Mersea and Wivenhoe in his constituency have had particular difficulties caused by over-fishing. We want to press ahead with restructuring our fishing industry to try to deal once and for all with problems such as those that he has rightly drawn to my attention.

Mr. Andrew George: During the forthcoming UK presidency of the European Union, will the Minister ensure that reform of the common fisheries policy is given clear priority and that Britain sets the agenda for it? Does he believe that our presidency provides an opportunity to bring forward the date of the much needed review of the common fisheries policy?

Dr. Cunningham: We certainly intend to set the agenda. We must recognise that we cannot totally control it, because it is partly set by the circumstances that we inherit from the previous presidency. We want reform of the common fisheries policy to be on the agenda. I doubt that there is any way in which we can advance the date for the changes that the hon. Gentleman referred to, but we have begun to prepare for our presidency. My hon. Friend the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food and I had a meeting earlier this week with the leaders of the British fishing industry from all over the United Kingdom.

Mrs. Betty Williams: I applaud the Government's efforts to tackle the problems of the fishing industry, which are in contrast to the empty talk we had from Conservative Members when they were in government. What is being done to improve the enforcement of the measures?

Dr. Cunningham: I am pleased to say that one of the commitments my right hon. Friend the Prime Minister received from the President of the Commission was that we would move towards the uniform enforcement of fishing controls across the European Union—something that should have been done a considerable time ago.

Mr. Hogg: In seeking to tackle the problem of quota hoppers, in particular by the proposals on landing and crewing, the right hon. Gentleman is likely to be frustrated by the treaty of Rome, as happened in the Factortame case. Does he accept that, in reality, the only way forward is to amend the treaty of Rome, particularly the provisions that deal with the movement of persons and capital? That can be done only at an intergovernmental conference.

Dr. Cunningham: No, I do not agree. Even if I thought that the right hon. and learned Gentleman was right on that point, we realise clearly that there is no support from other member states of the European Union for such an approach. The right hon. and learned Gentleman referred to the Factortame case, over which the United Kingdom was in difficulties. The difference now is that we have a letter of authority from the President of the Commission for what we intend to do. If our proposal was the subject of a legal challenge, the President of the Commission would be on our side, as opposed to being against us, as happened in the past.

Quarantine

7. **Mr. Flynn:** To ask the Minister of Agriculture, Fisheries and Food what proposals he has to improve the welfare of animals held in quarantine. [7281]

Mr. Morley: We are currently inspecting those quarantine kennels that have signed up to a voluntary code of practice for the welfare of dogs and cats in quarantine premises to ensure they can meet all its requirements. We would like to put the code on a statutory basis when parliamentary time can be found.

Mr. Flynn: Is my hon. Friend shocked by the list of situations, reported to him by Passports For Pets, in many of the quarantine kennels that are outside the present code? They are no-go areas for animal welfare. There are cases of neglect and sometimes cruelty, leading to great suffering for the animals incarcerated there. Although my hon. Friend is, I am sure, planning for a major reform of our absurd, cruel and unnecessary quarantine system, will he give an assurance that the Animal Health (Amendment) Bill, which was presented to the House yesterday, will have the Government's full support when it is considered by the House again in November?

Mr. Morley: I was present in the House yesterday when my hon. Friend presented the Bill and I congratulate

him on his arguments on the serious issue of maintaining very high standards in quarantine kennels. At present, 74 quarantine kennels have signed up to the Ministry's voluntary code of practice; five have not. There are no powers at present to insist that they do sign up. We will look at the matter and we will examine my hon. Friend's Bill carefully when it is published to see whether we can use it as the basis of taking this issue forward.

Mr. Walter: Does the Parliamentary Secretary agree that a significant reduction in the problem of the welfare of animals in quarantine could be brought about by reducing the necessity for animals to go into quarantine? Do the Government have any plans to introduce new rules to allow animals coming in from the European Union and other rabies-free countries with the necessary veterinary certificates not to have to go into quarantine for the period at present required?

Mr. Morley: The Government's policy is to ensure that this country retains its rabies-free status; that is obviously very important. Having said that, we acknowledge there have been new advances in technology and new procedures. We committed ourselves, when in opposition, to a review of quarantine procedures. We have carried out that review and we propose to produce a consultation paper in the not-too-distant future on the various options that could be considered, ensuring that we maintain the rabies-free status of this country.

Common Agricultural Policy

8. **Mr. Baker:** To ask the Minister of Agriculture, Fisheries and Food what progress is being made towards securing reform of the common agricultural policy. [7282]

Dr. Jack Cunningham: I am delighted that the European Commission yesterday published proposals for common agricultural policy reform, which in most respects reflect the Government's own ideas and priorities.

Mr. Baker: Does the Minister agree that, although the announcements from the Commission are broadly welcomed by the agricultural sector and the wider environment, there is concern about the possibility of a cap on the proposed ceiling for direct payments to farmers? Will he undertake to resist any proposals for a cap on our farms, which are generally two or three times larger than those elsewhere in the European Union, as that would be detrimental to farmers in my constituency of Lewes and elsewhere in the country?

Dr. Cunningham: The hon. Gentleman is referring to what in Euro-jargon is called modulation. I can assure him, as I have told the House before, that I am opposed to the introduction of modulation in the CAP.

Mr. Lawrie Quinn: Will my right hon. Friend please outline how he intends to consult communities in peripheral rural areas such as the North York moors and his own constituency in Cumbria before the proposed reforms come into effect?

Dr. Cunningham: My hon. Friends the Minister of State and the Parliamentary Secretary and my noble Friend in the other place are already involved in regional consultation on a regular basis, as are all right hon. and hon. Members. I can assure my hon. Friend that, having represented such a constituency for 27 years, I shall ensure that the voices of farmers in the hills, the dales and less-favoured areas are heard.

Mr. Alasdair Morgan: Given that the Government have already stated that the reform of the milk quota system is tied up with reform of the CAP, and as many dairy farmers are advising their sons and daughters not to follow them into the industry, but instead to enter the milk quota brokerage industry—assuming that they have also qualified as lawyers or accountants—will the Minister address the reform of the milk quota system as a matter of urgency so that young people are once again encouraged to join the industry?

Dr. Cunningham: The answer is yes. I favour the abolition of milk quotas, as that is the only realistic reform that should be on the agenda. I intend that that issue, among others, will be on the agenda during the United Kingdom presidency. In general, I support the points made by the hon. Gentleman.

Mr. Davidson: Does the Minister accept that the CAP has forced up food prices in Britain and elsewhere and represents a substantial transfer of resources from urban areas to rural areas? Why should the urban poor subsidise wealthy farmers? Would we not be much better off if the system were reformed so that prices were reduced substantially?

Dr. Cunningham: It is true that the rural poor as well as the urban poor have to pay high prices—sometimes even higher prices—for their food, so the CAP has been of disadvantage to British people generally. We all pay more than is necessary for our food. I can think of few, if any, other policies that cost £30 billion a year and infuriate the farmers and the consumers alike.

Mr. Paice: Although we welcome the reduction in price support contained in the proposals published yesterday—indeed, I welcome the remarks that the Minister has just made about them—does he agree that they would increase the cost of the CAP to the taxpayer by some £3.5 billion, yet at the same time reduce the income to arable farmers by some £330 million, in addition to the fact that cereal prices this year are already some 30 per cent. down on last year? Why should British farmers believe that the Minister will negotiate firmly on their behalf for proper compensation for further price reductions when he still refuses to commit himself to applying for the £350 million in compensation that is already on the table as a result of the revaluation programme?

Dr. Cunningham: The hon. Gentleman is right: the proposals—we are still examining them in detail—involve increases in expenditure. The Government have certainly not signed up automatically to that. I also recognise that, if we are to get away from support for production—that is our basic position—there will have to be transitional arrangements for farmers.

As for compensation to farmers, principally because of the movement in sterling, I can tell the hon. Gentleman and the House that I have an open mind on that subject. I have not made up my mind one way or the other.

Fishing

9. **Mr. Mitchell:** To ask the Minister of Agriculture, Fisheries and Food how he intends to balance (a) fishing capacity reduction and (b) effort limitation in reaching the targets set out in the multi-annual guidance programme. [7283]

Mr. Morley: My colleagues and I are discussing this with leaders of the fishing industry.

Mr. Mitchell: I hope that my hon. Friend agrees that the combination of effort and capacity targets is a bad idea because it makes it difficult to secure transparency and to know what is going on with regard to limitation of effort by our competitors. I hope that he further agrees that, given that the reductions demanded of us will be so massive, it will be impossible to reach them without substantial decommissioning funds from the Treasury to help the industry and without some kind of set-aside net-aside for tie-ups from Brussels. If we cannot reach such targets, we will have no access to European funding, which all our competitors have had and the British industry needs.

Mr. Morley: I know that my hon. Friend has been a long-standing campaigner on behalf of his constituents and the British fishing industry. I know that he understands, as we do in government, that part of the problem that the industry is facing is due to the failure of the previous Administration under MAGP III in making progress in effort reduction. The fact remains, however, that there is a serious problem with overcapacity, as my hon. Friend knows. We have to tackle that with the industry. We want to give the industry the widest options concerning effort control. There is of course also a case for decommissioning, for which we have some funds available—£12 million. As he knows, we are talking with the industry about the best way of using those funds and the various options available.

Bovine Spongiform Encephalopathy

10. **Mr. Tony Colman:** To ask the Minister of Agriculture, Fisheries and Food what he estimates to be the costs to date of BSE enforcement. [7284]

Mr. Rooker: The approximate cost of enforcement of BSE measures by the Meat Hygiene Service since its establishment in April 1995 until the end of March this year is a little more than £20 million. Obviously, there are no figures available for the current year. Details of any local authority enforcement costs are not held centrally. I should put the figures in context: BSE is costing the public this year £1.4 billion, and over a four-year period, £3.7 billion—not a penny of which has been planned for.

Mr. Colman: I thank my hon. Friend for his answer. Perhaps those relatively modest amounts spent on enforcement reflect the failure of the previous Government to deal with the matter and ensure the very highest level of personal and consumer safety.

I congratulate my hon. Friend on his actions on Tuesday in stopping operations at two meat plants, thus ensuring that the illegal export of beef cannot take place. Does that reflect a much more hard-hitting approach under the new Labour Government to ensure that consumer safety is at the top of the list?

Mr. Rooker: I agree entirely with the first part of my hon. Friend's question. It is clear that the previous Government were slack in the extreme in enforcing BSE measures. That is why so little has been spent. The activities on Tuesday will be detailed in a further answer. We shall publish before the end of the year the hygiene assessment scores for every abattoir and slaughterhouse in the country. Frankly, anyone who continues to buy from any establishment that has a low score needs his head looking at.

Mr. Greenway: We cannot have it both ways. Earlier, the Minister of Agriculture, Fisheries and Food joined the hon. Member for City of York (Mr. Bayley) in paying tribute to the Meat Hygiene Service, which is based in York, and I join him in that. The Minister of State, however, appears to be saying that the standards of enforcement were not good. What is the truth? Should we be concerned not about the standards of enforcement in this country but—if the Minister's plan to ban beef imports from other European countries that do not meet the same hygiene standards is to have any meaning—about enforcement in abattoirs in other European countries?

Mr. Rooker: Let us get this clear. Staff in my Department have been carrying out the duties requested of them by previous Ministers. Previous Ministers were the ones who were slack. They deliberately sought not to enforce the regulations. Staff were required to follow those orders, which has left us having to close abattoirs at a few hours' notice. If there are any culprits in the matter, they are sitting on the Opposition Front Bench and the Benches behind. As the costs and consequences of the BSE legacy emerge and become apparent to present Ministers, we can see ever more clearly that the previous Government's handling of BSE amounted to nothing less than economic treason.

Mr. Campbell-Savours: My hon. Friend used the term "slack in the extreme". Will he make a statement, and place it in the Library, of what he found out about BSE when Labour took over the Government? From all reports, it sounds shocking.

Mr. Rooker: I assure my hon. Friend that we asked all the questions that would come immediately to mind. We are still awaiting some of the answers.

Mr. Swinney: In the light of the Minister's statements about the costs of BSE enforcement, it is obvious that there is cross-party enthusiasm to solve the matter as early as possible. Does he recognise the unease of the National Farmers Union for Scotland that the twin-track proposals announced by the Government suggest that one track may move faster than the other? Will he assure us that the twin-track approach will maintain the same pace for each aspect of the certified herds scheme and the date-based scheme?

Mr. Rooker: The hon. Gentleman's question goes somewhat wider than the original question. We are moving

as quickly as possible on several fronts to get the ban lifted. It is not just a question of BSE enforcement, because the Florence agreement contains many other impositions and requirements. We hope to make an early announcement on progress on those requirements and we will seek to move forward on a United Kingdom basis wherever possible.

Organic Farming

11. **Mr. Corbyn:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to increase support for organic farming. [7285]

Mr. Morley: We have already made it clear that we want to encourage an expansion of organic production and we are considering the best ways of achieving that.

Mr. Corbyn: Does my hon. Friend recognise that many organic farmers have a sense of grievance? They feel that they are discriminated against by the Department and are forced to charge higher prices for their products because their concern for conservation of the soil and the natural environment in which they work is such that they are unable to use the high-growth fertilisers and pesticides that other farmers use. They feel that the pricing system militates against them. Will my hon. Friend ensure that that sense of grievance is dealt with and that they are treated on a par with organic farmers in other parts of the European Union?

Mr. Morley: Yesterday, the Government responded formally to the Select Committee on Agriculture, which made recommendations on organic farming. This morning, at the Agri-Environment Forum, I had the opportunity to discuss the issue with Patrick Holden of the Soil Association, who made a powerful case for more support. The Government want to see more organic conversion. The present structures have caused problems for farmers wishing to convert and we are reviewing them. Demand for organic produce is so strong that we are importing produce, but we wish to see British farmers meeting the demand with organic produce.

Beef Exports

12. **Mrs. Anne Campbell:** To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to prevent illegal beef exports. [7287]

Dr. Jack Cunningham: All allegations are urgently and rigorously investigated. My hon. Friend will be aware that as a result of serious hygiene concerns arising from investigations into such allegations, my Department and I issued notices on 14 July preventing two meat plants in the United Kingdom from trading in beef.

Mrs. Campbell: I thank my right hon. Friend for that reply. Is he aware that farmers in my area are concerned about any illegal activity, which can only help delay the lifting of the ban on British beef exports? Is he further aware of how welcome his prompt and firm action has been to local farmers?

Dr. Cunningham: Overwhelmingly, farmers and legitimate and responsible meat traders will be infuriated by the allegations that British meat companies have been involved in a European Union-wide fraud, especially as the European Union ban on British beef came into effect in March 1996. I draw the attention of my hon. Friend, her constituents and the House to the fact that by 1 May this year no new legislation had been enacted in the United Kingdom to place the ban on a statutory footing. I intend to introduce new legislation shortly to clarify and strengthen my powers to deal with suspected illegal exports and to enhance the checks that are carried out at ports.

Mr. Gray: Does the Minister accept that the only way to ensure the same high standards in beef imported from continental abattoirs as we have come to expect from our own abattoirs would be to undertake to send our meat hygiene inspectors or our rigorous MAFF vets to inspect the abattoirs on the continent from which we are to import? Will he raise that idea with his ministerial colleagues next week and undertake to say that we will not import European beef unless it comes from abattoirs as demonstrably fine as our own?

Dr. Cunningham: That is an absurd proposition. I have no such powers to send my meat inspectors into meat plants in other countries. As the hon. Gentleman knows, the European Union has its own inspectorate for such purposes.

Bovine Spongiform Encephalopathy

13. **Mr. Rendel:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the administration and financing of the over-30-months slaughter scheme. [7289]

14. **Mr. Chope:** To ask the Minister of Agriculture, Fisheries and Food what representations he has received about his decision to reduce compensation payments to beef farmers with effect from 4 August. [7290]

Dr. Jack Cunningham: I have received a number of representations from farming interests about the decision to reduce the compensation payment for cull cows slaughtered under the scheme and to cap compensation payments by introducing a weight limit of 560 kg. The over-30-months scheme is administered by the Intervention Board executive agency and is co-financed by the European Union.

Mr. Rendel: When the Minister was replying to my hon. Friend the Member for Somerton and Frome (Mr. Heath), he said that he saw no crisis brewing in the scheme. Does he not realise that many farmers, in my constituency and throughout the country, would regard that as remarkably complacent—perhaps even as complacent as the attitude of the previous Administration? Although the halving of the number of abattoirs and the reduction in compensation to farmers may lead to some reduction in costs for the taxpayer, it will certainly mean an increase in costs to farmers and more distress for the animals involved because of the longer distances that they will need to be transported.

Dr. Cunningham: I made the point earlier, and I make it again to the hon. Gentleman now, that the Intervention Board has introduced competitive tendering precisely so

that we can improve value for money for British taxpayers. I also repeat that, as my hon. Friend the Minister of State said, United Kingdom expenditure on all BSE-related measures is forecast to be more than £1.35 billion in 1996–97, and is budgeted at more than £3.5 billion for the entire period 1996 to 2000. We simply cannot go on spending money at that rate. We have to take due account of the horrendous cost of it all to the taxpayer. I invite the hon. Gentleman, and anyone else who supports his argument, to think what we could do in the health service or in our children's schools with that expenditure.

Mr. Chope: Why is the Minister discriminating against the farmers with the fattest old cows? What message does he have for my constituent Mr. Farwell, who has a herd of fine Friesians and is extremely aggrieved by the 560 kg limit? A fine Friesian that has become barren will probably weigh 700 kg, so my constituent will lose a lot of money as a result of the arbitrary change.

Dr. Cunningham: I recognise that farmers, too, have difficulties as a result of the mismanagement of the whole crisis by the party of which the hon. Gentleman is a member. Perhaps I should remind him that the scheme is subject to EU legislation and is not completely within the control of Her Majesty's Government. Decisions have to be approved by the Beef Management Committee in Brussels, precisely because of the mess created by the Conservatives.

Mr. Stevenson: Does my right hon. Friend agree that one of the basic principles of the over-30-months scheme was that the reductions announced in the compensation have been part of the plan all along? Was not one of the guiding principles that farmers and producers would have the time to plan ahead? They knew full well that the time was coming when the compensation would be reduced and measures such as those that my right hon. Friend has announced would have to be adopted.

Dr. Cunningham: Yes, I agree with that. I should also point out that there is absolutely no reason, given the time that has elapsed, why any clean cattle should continue to go into the scheme.

Mr. Tipping: Will the Minister look closely at any arguments or suggestions from farmers' organisations or other bodies trying to meet the needs of beef and suckler farmers, provided that any further action is met within existing resources?

Dr. Cunningham: Yes. I met the president of the National Farmers Union and a representative group of farmers from all over the United Kingdom a couple of weeks ago. They said that they would put some counter-proposals to me on how the scheme might be administered. I said that I would consider any such proposals that were put to me. As yet, I have not received them.

Mr. Thompson: Will the Minister confirm that it was pressure from the Treasury that led the British Government to make this request to the Beef Management Committee and that that request was to reduce the price not by 0.1 ecu per kilogram but by 0.3 ecu per kilogram? Will the right hon. Gentleman assure us that no further such request will be made?

Dr. Cunningham: The Ministry of Agriculture is not immune to the need to stick within budgeted public expenditure—any more than any other Government Ministry is. A number of proposals were put to the Beef Management Committee in Brussels, and the final decision was made there. That is a consequence of the European Union legislation to deal with the crisis in beef farming caused by the previous Administration.

ATTORNEY-GENERAL

Serious Fraud Office

27. **Mr. Bernard Jenkin:** To ask the Attorney–General what discussions he has had since 1 May with the director of the Serious Fraud Office concerning the future of the office. [7305]

The Attorney-General (Mr. John Morris): The director and I meet regularly to discuss matters of departmental interest. In 1996–97 the Serious Fraud Office had a highly successful year. Eight major cases were concluded, with 12 out of 14 defendants being convicted. The new director will continue to build on that foundation.

Mr. Jenkin: Do the Government have a strategy to rebuild the reputation of the Serious Fraud Office after it foundered on a series of high-profile cases during the past decade and earlier in this decade? May we have some idea of the kind of reforms that the right hon. and learned Gentleman would consider?

The Attorney-General: The figures that I have just given the House speak for themselves. There have been difficulties in the past, but the hon. Gentleman will be aware that many of the cases with which the SFO has to deal are difficult and complex and need a great deal of investigation. Once they are prosecuted, of course, the SFO is in the hands of the courts. However, the hon. Gentleman should be reassured by the figures that I have given.

Amsterdam Treaty

28. **Mr. Gareth Thomas:** To ask the Attorney–General if he will make a statement as to the implications of the Amsterdam treaty for his Department. [7307]

The Attorney-General: The Amsterdam treaty does not have any specific implications for the work of my Department, but as a member of the Government I welcome the outstanding achievement of my colleagues in securing such a treaty which meets our key objectives.

Mr. Thomas: I am grateful to my right hon. and learned Friend for that reply. Does he agree that a strong and effective European Court of Justice is essential if this country is to gain the maximum advantage from

membership of the European Union and essential to the interests of British industry if it is to take advantage of the single market?

The Attorney-General: My hon. Friend is absolutely right. A strong European Court of Justice is essential if we are to ensure compliance with the rules of Community law, such as the rules governing the internal market. As my hon. Friend says, the overwhelming majority of those rules benefit us—so I endorse his views.

Mr. Burnett: Can the provisions of the Amsterdam treaty be used to enable United Kingdom judgments more easily to be enforced in other European Union countries?

The Attorney-General: As the hon. Gentleman will have heard, I made my Department's responsibilities quite clear in my main answer, and the implications are as I have said. I could tell him what objectives we achieved, but the details of the treaty are matters for my right hon. Friend the Foreign Secretary and I would respectfully suggest that the hon. Gentleman puts the question to him.

Crown Prosecution Service

29. **Mr. John M. Taylor:** To ask the Attorney–General if he will make a statement on the effect of restrictions on rights of audience on morale in the Crown Prosecution Service. [7308]

The Attorney-General: The Crown Prosecution Service has no statistical information about this issue, but there is enthusiasm among Crown prosecutors to exercise rights of audience in the Crown court.

Mr. Taylor: Does the right hon. and learned Gentleman agree that morale in the Crown Prosecution Service is extremely important, and that it is a matter not only of resources but of career prospects, which include the possibility of appearing in the higher courts? Does he further agree that until the service is in good heart there is no point in contemplating a public defender system?

The Attorney-General: I know of the hon. Gentleman's great interest in these matters, and on the first part of the question I agree entirely: the morale is vital. On the second part, the review that we have set up has been warmly welcomed. Given that welcome, I hope that when the results come out, the review will play a major part in the question of morale that the hon. Gentleman rightly raises. The question of rights of audience and employed solicitors has already been decided, and it was clarified as recently as April this year. The question of employed barristers has not been resolved: it is before the designated judges for consideration, and has been for a little time.

30. **Mr. Mackinlay:** To ask the Attorney–General when he expects to introduce measures to reform the Crown Prosecution Service. [7309]

The Attorney-General: In addition to the restructuring of Crown Prosecution Service areas to correspond with police areas, which I announced on 21 May 1997, Sir Iain Glidewell has been appointed to conduct an independent review of the CPS and expects to report to me by the end of the year. Further consideration will then be given to whether and what changes are necessary to provide for the more effective and efficient prosecution of crime through local public prosecutors.

Mr. Mackinlay: Does my right hon. and learned Friend realise that, although it is quite fair for the morale of the Crown Prosecution Service to be referred to by the Tory hon. Member for Solihull (Mr. Taylor), it is far more important to consider the morale of our constituents, who are sick to the back teeth of having court cases delayed by the old existing service, over which the Tories presided? We want news of when Mr. Justice Glidewell's report will be published. Will the public be able to make representations? The people of this country want my right hon. and learned Friend to take a grip on the service, which is badly letting down the criminal justice system.

The Attorney-General: My hon. Friend is absolutely right that the paramount consideration must be the British public as a whole; I endorse that view. I hope that Sir Iain Glidewell's report will be published by the end of the year. The public will be invited to make their representations. In the years that have gone by, I have been aware of the feelings of many Members of Parliament and many petitioners about the Crown Prosecution Service.

I hope that hon. Members such as my hon. Friend and others will give their evidence to Sir Iain Glidewell, who will issue a general invitation to staff and to anyone else to come along and give their views on what they regard as the shortfalls. Matters such as downgrading, delays and discontinuances are specifically within Sir Iain's remit.

Mr. Baker: Is the Attorney-General aware that many of my constituents feel that the barrier set by the CPS before it decides to initiate prosecutions is set absurdly high and that on some occasions it appears that the reason is a backlog in the courts rather than a decision as to whether an action will be successful? Is he also aware that for many minor offences it appears to be almost impossible for the CPS to initiate proceedings and, for matters such as vandalism, only in exceptional circumstances does an action proceed?

The Attorney-General: Those are some of the matters of concern to which my hon. Friend the Member for Thurrock (Mr. Mackinlay) referred. Those matters will come within the remit of Sir Iain Glidewell. At the end of the day, we want to ensure that those who are guilty of offences are successfully prosecuted. The CPS has to take an independent judgment on the chances of conviction in each case, and that is what it does. If there are any shortfalls, they will be examined by Sir Iain and his inquiry.

Sir Nicholas Lyell: Does the Attorney-General recognise that we welcome Sir Iain Glidewell's review, but is he also aware that those who sow the wind reap the whirlwind? Does he recall that he and, in particular, his right hon. Friend the Home Secretary went up and down the country prior to the election putting out the idea that the CPS was constantly dropping or downgrading cases wrongly? They went on to say that the CPS rather than the police should have the job of informing victims, but the present Government have put no money forward to

enable that to happen and have therefore found it necessary to set up Sir Iain Glidewell's inquiry. Two of its primary functions are, first, to find out whether what he and the Home Secretary were saying is even accurate and, secondly, to find out whether what they are proposing is even practicable. Will he assure the House that the report—when it comes—will be published in full?

The Attorney-General: I can assure the right hon. and learned Gentleman that the report will be published in full. If he had not shut his eyes over the years to the grave concern expressed by judge after judge, prosecutor after prosecutor and by Members of this House and members of the public, something would have been done years ago. He may recall that when the Bill which became the Prosecution of Offences Act 1985 was first introduced I moved an amendment and said that the issue should be reviewed in five years' time lest we might—all of us—have got it wrong. I do not think that we got it right. Hence, I immediately asked for 42 Crown prosecutors to be appointed in each area, to be coterminous with chief constables, so that the public would know where they stand.

Lenient Sentences

31. **Mr. Chope:** To ask the Attorney-General how many unduly lenient sentences he has referred to the Court of Appeal since 1 May. [7310]

The Attorney-General: Since 1 May this year, the Solicitor-General and I have considered 27 sentences. I have applied to the Court of Appeal for leave to refer 11 of those sentences.

Mr. Chope: I thank the Attorney-General for that reply. Is he aware how angry people are at the Government's failure to make up their mind whether to implement mandatory minimum sentences, which are on the statute book just awaiting a Government decision? Is he aware that many persistent burglars on their seventh conviction are not even being sent to prison? Will he ensure that where there is such leniency the cases are referred by him to the Court of Appeal, pending a decision by the Home Secretary as to whether to implement the legislation?

The Attorney-General: Only a very small proportion of cases have been referred to me or to my predecessor compared with the huge number tried. The other matters that the hon. Gentleman raises are for my right hon. Friend the Home Secretary.

Mr. Beith: Does the Attorney-General realise that if he were successful in securing longer sentences for the number of people that the hon. Member for Christchurch (Mr. Chope) would like, and still more if he went for mandatory sentences, there would be nowhere to put the prisoners? Does he regret that the Home Secretary engaged in the general hue and cry for mandatory sentences before the general election and now has to face the consequences of no financial provision having been made for the extra prison places required?

The Attorney-General: The concern of my right hon. Friend the Home Secretary, which I am sure is shared by the right hon. Gentleman, is with the rising rate of crime, which has continued year after year, and the Conservative party's failure to deal with it. That was the basis of his remarks and of his continuing concern. We want to ensure that more of those who are guilty are convicted by the courts.

Mr. Hogg: May I put it to the Attorney-General that his answer is worrying because the numbers being referred to him and to the Court of Appeal are very small? Those of us who have represented constituencies for a long time, or who have appeared in courts, know that sentences are frequently unduly lenient. It would be more reassuring if he could tell the House that he would endeavour to do a bigger trawl and consider a greater number of cases so as to get a better benchmark for the Court of Appeal.

The Attorney-General: I assure the right hon. and learned Gentleman that I and the Solicitor-General consider personally each and every case, as under my predecessor. Cases are referred to me by Members of Parliament, the Crown Prosecution Service, or the general public. The pattern seems fairly consistent. In 1997, 32 cases were referred to my predecessor. In the previous year, in England and Wales, there were 68, and in the year before that, there were 77. The cases that in accordance with statute we have to refer are not those that the right hon. and learned Gentleman or I might feel to be lenient but those that are unduly lenient—that is, where a sentence occurs well outside the usual pattern of sentencing. The statute was passed by his party, and we have to operate it.

Business of the House

3.31 pm

Mrs. Gillian Shephard (South–West Norfolk): May I ask the Leader of the House to tell the House the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): The business for next week will be as follows.

MONDAY 21 JULY—Second Reading of the Education (Student Loans) Bill.

TUESDAY 22 JULY—Second Reading of the Social Security Bill.

WEDNESDAY 23 JULY—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

In the afternoon, there will be a debate on the motion on section 5 of the European Communities (Amendment) Act.

Proceedings on the Ministerial and Other Salaries Bill.

THURSDAY 24 JULY—Consideration of any Lords amendments which may be received to the Education (Schools) Bill.

Proceedings on the Law Officers Bill *[Lords]*.

FRIDAY 25 JULY—Debate on the White Paper on the Welsh referendum on a motion for the Adjournment of the House.

MONDAY 28 JULY—Progress on remaining stages of the Finance Bill, which will be brought to a conclusion on Tuesday 29 July.

The House will also wish to know that on Wednesday 23 July there will be a debate on the preliminary draft budget for 1998 in European Standing Committee B.

As this is the first European Standing Committee meeting of this Parliament, I should like to take the opportunity to remind the House, particularly for the benefit of new Members, that all Members may attend European Standing Committees, and participate in questions to the Minister and the debates that follow.

Details of the relevant documents will be given in the *Official Report*.

[*Wednesday 23 July—European Standing Committee B. Relevant European Community Document: COM(97)280, Preliminary Draft Budget. Relevant European Legislation Committee Report: HC 155-i (1997–98).*]

Mrs. Shephard: I thank the right hon. Lady for her statement. She will be aware that the United Kingdom's contribution to the European Union budget is due to rise to more than £8 billion compared with the present level of £6.3 billion—a rise of 27 per cent. She has explained that a debate on that issue will take place in European Standing Committee B, but I should have thought that, in the light of the size of that rise and of the fact that the Government have already spent most of the reserve, it would be better for there to be a full debate on the Floor of the House. I hope, therefore, that she will rethink her plans.

The House will have noticed that the right hon. Lady announced that the debate on the White Paper on devolution for Wales is due to take place next Friday. Given that much of next week's business is uncontroversial, I wonder whether the right hon. Lady would also reconsider that plan. The devolution issue is important enough to take place earlier in the week.

Given yet another evasive performance by the Secretary of State for Wales at the Dispatch Box yesterday during Welsh questions, when he failed three times to answer questions on whether he had threatened the hon. Member for Blaenau Gwent (Mr. Smith) with expulsion from the Labour party, will the right hon. Lady ensure that, before the debate on the White Paper, the Secretary of State for Wales is given some basic training on answering questions? Does the right hon. Lady intend to have statements next week on the White Papers on devolution to Scotland and Wales?

It is disappointing to have to remind the right hon. Lady again that her responsibility is to the whole House. Does she agree that it is unacceptable and a discourtesy to the House for the Government, having raised questions and speculation about their pensions policy through briefing and counter-briefing the press, and having arranged for it to be vaunted as the most massive ever statement on pensions policy, then to deny the House the opportunity of hearing the answers to the questions that the Government themselves raised by announcing yet another review in a written answer?

In that connection, in the interest of open government, will the right hon. Lady explain why the Government have delayed their White Paper on open government?

Finally, will the right hon. Lady arrange for a debate on the cost of redecorating the Lord Chancellor's personal accommodation, in order to explain why that former fat cat needs, at taxpayers' expense, so lavishly refurbished a basket?

Mrs. Taylor: May I deal first with the point that the right hon. Member for South–West Norfolk (Mrs. Shephard) raised in respect of next Wednesday's debate on the draft budget? I remind her that we are following the practice adopted by the previous Government in the past two years; the debate has taken place in a European Standing Committee. It has taken some work to ensure that the Committee was set up in time, so the right hon. Lady should be congratulating us, not carping.

On Friday's debate on the Welsh White Paper, I remind the right hon. Lady that Friday is a normal sitting day. Hon. Members who are interested will participate in the debate. No votes are envisaged. Friday is an appropriate day for that debate, not least because we shall publish the White Paper on our proposals for Welsh devolution on Tuesday. Had we had a debate earlier in the week, the Opposition would have complained that we were not leaving sufficient time between publication of the White Paper and the debate. The Welsh White Paper will be published on Tuesday and the Scottish White Paper will be published on Thursday. Both will be accompanied by statements in the House.

The right hon. Lady raised the question of pensions. Having listened to some of the debates during consideration of the Finance Bill in the past couple of days, I am surprised that Opposition Members are still raising the pensions issue, because they certainly made no impact whatsoever in terms of that issue.

The fact that we were going to have a review on pensions has been well known for a very long time. All that has happened today is that the details of the terms of

reference have been announced. As for the time scale, hon. Members ought to realise that there will be plenty of time for consultation, because the Government intend to publish an initial framework for change in the first part of 1998 and there will then be a further period of consultation before firm proposals are developed. I think that there is plenty of time to discuss that.

On the issue of freedom of information, we have made it clear that there will be a White Paper and we want it to be comprehensive, so we are doing the extra work to make sure that that is the case.

On the issue of the Lord Chancellor's room in another place, it is, of course, for another place to decide what sums are spent on that part of this Palace. My right hon. and learned Friend the Lord Chancellor cannot himself direct that any work should be carried out, and it is certainly not a matter for this House.

Mr. David Winnick (Walsall, North): As this is my first opportunity to ask my right hon. Friend the Leader of the House a question regarding the future of radio reporting of the House, can she tell me whether she has seen early-day motion 246?

[*That this House deplores any attempt by the British Broadcasting Corporation to alter or remove Yesterday in Parliament from its usual format or slot on Radio 4; and congratulates its producers on the past 50 years of impartial, succinct, judicious, informative and wide-ranging assessment of proceedings in both Houses.*]

What representations—I hope that there will be representations from the Government—will be made to the BBC on this matter? Will there be consultation between the Government and the leaders of other political parties represented in the House? Does my right hon. Friend agree that the BBC should be told, clearly and firmly, that what it intends to do is totally inappropriate and that we expect a different standard from a public service organisation?

Mrs. Taylor: Madam Speaker, I think that you made it clear that you would be making inquiries and representations on that point.

Madam Speaker: I have already done so.

Mrs. Taylor: You tell us now that you have already done so. I, too, have been in touch with Radio 4 and I do not think that any changes are planned for the absolutely immediate future. I hope that that will allow those hon. Members who share the concern that has been expressed to make their views known to Radio 4. We all have an interest in making sure that there is sufficient serious reporting of parliamentary activities.

Mr. Andrew Stunell (Hazel Grove): Does the Leader of the House remember telling us that she hoped to provide a programme looking a fortnight ahead? May I remind her that she has just tantalised us by giving us the business for Monday and Tuesday in the final week? Could she break her duck and go for the second week now, so as to give us some advance warning? Could she even tell us when she expects us to come back after taking our break? *[Interruption.]* I am keen to get back.

If the Leader of the House were able to go into that further business, would she agree that we need an urgent debate on our prisons, bearing in mind the report issued this morning by the chief inspector of prisons, which is highly critical of the situation in women's prisons in this country? Does she agree that such a debate would give the Home Secretary an opportunity to explain his U-turn in prison sentencing policy from before the election, when he was in favour of mandatory sentences to be imposed automatically, to the current state of play, where he is seeking for those to be discretionary and short?

Mrs. Taylor: I hope that, once we get past the early days of this Parliament, it will be possible to plan ahead on a slightly more secure basis than at present and that it will become normal practice to announce business two weeks in advance. At the moment, some of our business is still dependent on what is happening in another place and I would not like to give the House any misleading information.

However, I can confirm that I still hope and expect that the House will rise on 31 July. I am glad that the hon. Gentleman is keen to return after the summer recess. I hope next week to announce not only the date of return, but the details of business for the first week back. Those are, however, not yet finalised.

Important issues are looming regarding the prison population, which greatly concern the Home Secretary. They are very serious issues on which we should try not to score party political points. We must all try to solve the real problems that we have inherited and those that have resulted from the high incidence of crime in this country.

Mr. Harry Barnes (North–East Derbyshire): This Government believe in reviews. The previous Government also believed in reviews, but they were not good at conducting them. For example, their review of probate services resulted in proposals to close many services, including the one in Chesterfield, whose closure would create access problems in the area. May we have a debate about probate services so that Members of Parliament representing Derbyshire constituencies may have an opportunity to argue the case for the probate service in Chesterfield and perhaps save it in the same way that we helped to save the independent tribunal service?

Mrs. Taylor: I congratulate my hon. Friend on his previous victory. The proposals for the probate service to which he refers have been in the pipeline for some time. I cannot offer him the prospect of an early debate, but I shall bring the matter and the concerns of my hon. Friend and his constituents to the attention of my right hon. and learned Friend the Lord Chancellor as soon as possible.

Mr. Richard Shepherd (Aldridge–Brownhills): Given the importance to the House of the Select Committee on Modernisation of the House of Commons and its work, will the Leader of the House make a statement some time next week about why its proceedings are conducted in secret?

Mrs. Taylor: They are held in secret because that is what the House decided. However, I do not believe that they should be described in that way because we are simply deliberating in private. If we decided to take evidence, we could do so in public.

Mr. Harry Cohen (Leyton and Wanstead): May I ask my right hon. Friend for a debate on London government?

[Mr. Harry Cohen]

The Conservative party has apparently done a U-turn and, less than two months after flatly rejecting the proposal, now supports Labour's policy of a directly elected mayor for London. Perhaps the debate would encourage the Opposition to go all the way in endorsing democracy for Londoners by accepting a London-wide elected authority.

Mrs. Taylor: My hon. Friend is right, and we welcome the Conservatives' U-turn. It is good that they have recognised that they were wrong to deny Londoners the right to their own democratic voice. It is somewhat ironic that the party that abolished the GLC 11 years ago should recognise belatedly the value of our policies. However, I am not sure that we can debate the matter next week.

Mr. Edward Leigh (Gainsborough): As the Government embark on the 38th review of this short Parliament, will the Leader of the House explain why such detailed reportage about the Government's proposed pension reforms appears in today's newspapers, but the Secretary of State has not seen fit to come to the House and provide any explanation of her plans?

Mrs. Taylor: I have dealt with that matter already. There has been much speculation because we have made it clear for some time that there would be a review. The details and the terms of reference of that review were announced today.

Mr. Robin Corbett (Birmingham, Erdington): Will the Leader of the House confirm that the Government intend to publish their White Paper on openness in government and freedom of information no later than 31 July? Consideration of the matter has been overdue for many years.

Mrs. Taylor: As I said earlier, the White Paper will be published, but not according to that time scale. It will be published later in the year.

Mrs. Theresa May (Maidenhead): Will the Leader of the House make time available before the recess for a debate about the electoral system to be used at the next elections to the European Parliament, given reports that the Government have decided that the elections will take place using proportional representation and party lists? A debate would enable all hon. Members to express their genuine concerns about PR and, particularly, the use of the party list system—which leads to the election of Members who have no connection with constituencies and who, because they owe their election to the party hierarchy, owe their allegiance to the interests of that hierarchy rather than to their constituents.

Mrs. Taylor: I do not think that there is any prospect of a debate in the near future, although, of course, the Government have a manifesto commitment to PR for European elections.

Mr. Bill O'Brien (Normanton): Will my right hon. Friend consider holding an urgent debate on the coal industry? Is she aware of the press reports highlighting the unfairness of the subsidies to the continental coal industry—Germany and Poland—which is contrary to the agreement on the single market, and the effect of that on British miners' jobs? Is she further aware that the clean-coal exercise could be a threat to the jobs of British mineworkers, because the previous Government withdrew support for that exercise? Will my right hon. Friend allow us an early debate on the coal industry, as there has not been such a debate for the past four or five years?

Mrs. Taylor: I understand why my hon. Friend, with his background and constituency interests, is particularly worried about the situation. I cannot promise him a debate, but I will bring his representations to the attention of my right hon. Friend.

Mr. David Tredinnick (Bosworth): Is the Leader of the House aware of the number of statutory instruments arising out of European legislation that are coming before the Joint Committee on Statutory Instruments, and would she favour a review of the number and implementation of those statutory instruments? Does she think that that is a proper matter to be considered by the Select Committee on Modernisation of the House of Commons?

Mrs. Taylor: The answer is yes on both counts.

Mr. Paul Flynn (Newport, West): When can we debate early-day motion 1?

[*That this House celebrates with joy and hope the election of what will be a great reforming Labour Government; applauds its manifesto declaration that 'all pensioners should share fairly in the increasing prosperity of the nation'; asserts that this can be achieved for the present generation of pensioners only by restoring the link between basic pensions and average earning; urges an immediate start to the promised manifesto review of 'all aspects of the basic pension and its value, second pensions including SERPS and community care' and a renewal of the commitment to retain SERPS.*]

May we also debate today's welcome announcement on pensions, so that we can congratulate the Government on abandoning the foolish proposal by the previous Government to throw pensioners to the wolves of the private pensions industry? The Labour Government propose to rebuild pensions on one of Labour's great successes, SERPS, and to introduce a form of SERPS that will be funded, independent of the national insurance scheme and run by independent managers. Is not such a scheme, with administration charges of less than 2 per cent., preferable to the private schemes, which have charges of at least 25 per cent.

Mrs. Taylor: My hon. Friend's points are well made. I cannot promise him a debate, any more than I could promise a debate to other hon. Members, but I remind him that he can make those points directly to my right hon. Friend the Secretary of State for Social Security at Social Security Question Time on 28 July.

Mr. Gerald Howarth (Aldershot): Will the Leader of the House reconsider her decision on a debate on pensions? We heard an announcement today not of a review but, according to the newspapers, of far-reaching proposals, one of which is described by *The Times* as a tacit admission that the state can no longer fund people's pensions. That is a matter of great seriousness to the entire House, and it is not acceptable that the Secretary of State should make the announcement outside, rather than here.

Is the Leader of the House further aware that the Under-Secretary of State for the Home Department, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), my namesake, has apparently, according to the news agency tapes, made an announcement today on new initiatives to curb the sale of alcohol to young people? That is a matter of interest not just to Conservative Members, but to the entire House, and she should regard her position as being one of service to the entire House.

Mrs. Taylor: I am glad that the hon. Gentleman believes that the Government are making so much progress on so many issues. Were we always to make every announcement to the House, we would never do anything other than listen to statements, because we have a very proactive Government. When there is a statement of particular significance to the House, we make sure that it is made in the House.

Mr. Rhodri Morgan (Cardiff, West): Following the heart-warming reports in *The Mirror* this morning that Ryan Giggs, a constituent of mine until he had to travel north to Manchester to make his living, is very much in favour of the Government's proposals for a Welsh Assembly, will my right hon. Friend ensure that in next week's debate on the White Paper on the Government's democratic devolution proposals, the Government make it clear that they welcome support from left-wingers, right-wingers, creative midfield controllers and even the occasional striker—as Mr. Giggs is, all rolled into one?

Mrs. Taylor: I look forward to my hon. Friend's contribution to that debate.

Mr. John Bercow (Buckingham): May we have a statement to the House next week from the President of the Board of Trade in which she explains, once and for all, when she first knew that the Minister for Trade and Competitiveness in Europe held shares in BP and in other companies, and why—in answer to questions from, and in correspondence with, my right hon. Friend the Member for Wokingham (Mr. Redwood)—she said that the Minister for Trade and Competitiveness in Europe "has placed" the generality of his shareholdings in a blind trust, when it subsequently emerged that he had not, and still has not, done so?

Mrs. Taylor: We cannot find time to debate that matter next week, and I do not think that there is any need to debate it. On 3 July, during business questions, I told the House:

"My noble Friend the Minister for Trade and Competitiveness in Europe is in the process of complying with the rules in 'Questions of Procedure for Ministers'."—[*Official Report*, 3 July 1997; Vol. 297, c. 427.]

That was an accurate statement.

Mr. Andrew Mackinlay (Thurrock): As an Essex Member who has long been an advocate of devolution—even before it was fashionable in the Labour party and elsewhere—may I ask my right hon. Friend to use her good offices to impress on the House that, although a Welsh Assembly and Scottish Parliament are a primary concern for our colleagues from Wales and Scotland, devolution is a United Kingdom issue? Assuming that Madam Speaker feels so inclined, all hon. Members should have an opportunity to speak in debates on devolution White Papers, on the legislation and in the Committee stages. I stress that I am raising the matter as someone who is a keen advocate of devolution—both for those nations and for other areas in the United Kingdom. We must all have a slice of the action of the debate on those very important constitutional issues.

Mrs. Taylor: I am sure that many hon. Members from English constituencies will participate in those debates, not least because Conservative Members do not represent Scottish or Welsh constituencies.

Mr. John Greenway (Ryedale): In reply to my hon. Friend the Member for Aldershot (Mr. Howarth), the right hon. Lady said that any matter that was of significant interest to the House would be announced in the House. Surely nothing can be of greater interest to the House than the decision to give the responsibility to set interest rates to the Bank of England, and nothing can be more important than such a serious change in electoral arrangements as using proportional representation for elections to the European Parliament. We have read in the newspapers that the latter matter has already been decided. Will she give the House categorical assurances not only that there will be a statement before that policy is likely to be enshrined in United Kingdom law but that the House will have an opportunity to debate what should be a bipartisan matter?

Mrs. Taylor: I said that the most significant statements would be made in the House. Both the specific policies mentioned by the hon. Gentleman were mentioned in the Labour party manifesto, on which the Government were elected.

Mr. John Cryer (Hornchurch): May I press my right hon. Friend on the point of proportional representation? Many Labour Members, myself included, are in favour of the first-past-the-post system, and moves towards proportional representation in the European or any other elections would be a matter of some concern. Will she take our concern on board and allow a debate on the matter—perhaps during the first week of August, if we run out of time?

Mrs. Taylor: In due course, there will be debates on those issues, but the Bill has not yet been drafted. I remind my hon. Friend that all Labour Members were elected on a manifesto containing a commitment to proportional representation for European elections.

Mr. Edward Garnier (Harborough): When do the Government intend to announce their detailed proposals on the introduction of the European convention on human rights? May we have a statement next week, or certainly before we go down at the end of July?

Mrs. Taylor: We are making progress on that matter and still intend to introduce legislation. I hope that announcements will be made before too long. We are, however, not yet in a position to make a statement.

Mr. Peter Luff (Mid-Worcestershire): In the light of the disappointing replies given by the Minister of

[Mr. Peter Luff]

Agriculture, Fisheries and Food earlier, could the right hon. Lady arrange for an early debate on the changes to the over-30 months scheme, which are being so arbitrarily implemented, and, in particular, on what consultation the right hon. Gentleman had with the parties that will be affected and what assessment he made of the impact of these unwelcome changes on producers?

Mrs. Taylor: I do not think that there is either time or need for such a debate. My right hon. Friend and his ministerial colleagues are dealing with the matter as well as they can. It is a very difficult situation, not least because of what we inherited from the previous Government. My right hon. Friend dealt with the matter at Question Time, and I have nothing to add to what he said.

Mr. Tony Baldry (Banbury): Perhaps the right hon. Lady will read in *Hansard* tomorrow the answers that she has given today, because she has set out some interesting new constitutional conventions, not least that if there is a manifesto commitment, there is no need or obligation to make a statement to the House. It used to be a constitutional convention, until 1 May, that if the Government changed their policy, they made it clear to the House either by way of written answer or, if the matter was more significant, by way of a statement.

This afternoon, we have heard a whole series of policy changes, not least that relating to pensions, which the Government have not had the courtesy to explain to the House. This is not modernisation; it is arrogance of power of the most unattractive kind.

Mrs. Taylor: Conservative Members would have been very critical if we had gone back on manifesto commitments, and so would the country as a whole. There has been no change in this Government's policy on some of the matters to which the hon. Gentleman refers. The fact that we disagree with the previous Government on a range of issues does not mean that we have to explain why.

Mr. James Clappison (Hertsmere): In reply to my hon. Friend the Member for Buckingham (Mr. Bercow), the Leader of the House said that she took the trouble on 3 July to tell the House that the Minister for Trade and Competitiveness in Europe was in the process of complying with the requirements affecting him as a Minister regarding shareholdings. Has he now done so?

Mrs. Taylor: If the Permanent Secretary and the Cabinet Secretary are satisfied with the arrangements that have been made, I do not think there is any need to take the matter further.

Mr. Nick St. Aubyn (Guildford): May we have an urgent statement by the Financial Secretary to the Treasury in view of the fact that, during last night's debate on clause 17 of the Finance Bill, she, no doubt unintentionally, misled the House? The effects of clause 17 on some important classes of insurance premium payers, of whom there are certainly tens of thousands, and possibly hundreds of thousands, will be dramatic. It was clear that Conservative Members were very worried, but, towards the end of that debate, the Financial Secretary assured us that the answers to our questions would be found in the notes from the Inland Revenue. We have checked those notes, but there is absolutely nothing in them to clarify the issue. May we therefore please have a statement?

Mrs. Taylor: I do not know of any reason why we should have a statement. If the hon. Gentleman is concerned, there are still several stages of the Bill left—the remainder of the Committee stage, and Report—so there will be other opportunities for him to raise the matter with Treasury Ministers.

Mr. Tim Collins (Westmorland and Lonsdale): Before the House rises, will the Leader of the House make time for a statement, if not a debate, on the outcome of the Department of the Environment, Transport and the Regions' accelerated roads review? She will know that many Members from all parts of the House are very concerned on behalf of their constituents about the outcome of that review. I hope that she will ask her colleagues to make a statement, rather than issue yet another significant policy development as a press release.

Mrs. Taylor: I am afraid that I cannot tell the hon. Gentleman when that review will be complete, but we appreciate the need to keep the House informed.

Mr. Desmond Swayne (New Forest, West): Notwithstanding the answer that the right hon. Lady gave to my right hon. Friend the shadow Leader of the House, we did have a debate early in this Parliament on the salary of one of the Law Officers in another place, and great sport it afforded, especially when contrasted with the salary available for the Minister for Women. Will the right hon. Lady reconsider and arrange a debate on the palatial accommodation of the Lord Chancellor? Perhaps we could contrast that with the treatment of our own barber who, although he has no international reputation and does not travel abroad, is an honest, decent, working fellow.

Mrs. Taylor: I think it best just to say that I have nothing to add to the answer that I gave earlier.

Mr. Robert Walter (North Dorset): In the past month, the Prime Minister has negotiated the Amsterdam treaty, the President of the Commission has introduced his Agenda 2000, laying out spending proposals for well into the next century and the Commission has produced its proposals for bringing six new members into the European Union. When are we likely to be able to debate the future structure, financing and shape of the European Union?

Mrs. Taylor: There is clearly no prospect of such a debate in the immediate future. There will have to be debates and legislation following Amsterdam, when there will be opportunities to discuss those issues.

Mr. Leigh: On a point of order, Madam Speaker. Could you assist me by directing me to the passage in "Erskine May" that states that because a proposal is contained in a party document—a manifesto—it does not have to be shared with the House of Commons? You may answer that you are not responsible for what statements the Government bring to the House. As the pensions review relates to terms of reference and as we cannot

question the Government on it, I wonder whether you might elucidate further and better particulars with the Government on our behalf.

Madam Speaker: The hon. Gentleman is raising a point of order in relation to many questions that have already been put to the Leader of the House. Let me make my position as Speaker quite clear. I expect any Government, when there is a change of policy to be announced, to announce it in the House, preferably from the Dispatch Box, so that that policy can be questioned. That can also be done by means of a written question, which happened on a number of occasions with previous Governments. Only when there is a change of policy must the House be kept informed.

The Clerk will now proceed to read the Orders of the Day. *[Interruption.]* I think that that was a big raspberry to many Members.

Orders of the Day

CONSOLIDATED FUND (APPROPRIATION) BILL

Order for Second Reading read.

Question, That the Bill be now read a Second time, *put forthwith, pursuant to Standing Order No. 56 (Consolidated Fund Bills), and agreed to.*

Question, That the Bill be now read the Third time, *put forthwith, and agreed to.*

Bill accordingly read the Third time, and passed.

Council Tax

4.7 pm

The Minister for Local Government and Housing (Ms Hilary Armstrong): I beg to move,

That the draft Council Tax Limitation (England) (Maximum Amounts) Order 1997, which was laid before this House on 14th July, be approved.

Before referring to the order and the caps proposed for Oxfordshire, Somerset and Warwickshire, I should like to make a few general points about the Government's view of the role of local government.

We believe that local government has an important part to play in Britain's future. Our policies will be based on our wish to reinvigorate local government, outlined in our manifesto. Those policies encourage increased democracy, with local people having the chance to have more of a say in the affairs of their council; increased autonomy, with more freedom for authorities to take their own decisions; increased accountability, with elected representatives being more visibly accountable for their actions; and increased partnership between central and local government and between local authorities and the people they serve and businesses and groups in their areas.

Only yesterday, the first meeting of the new central-local partnership took place, chaired by the Deputy Prime Minister and attended by several Cabinet Ministers and representatives from local government, to consider major local government issues, including the pressures on local government and the policies that we want to take forward with it. We believe that within that framework, local authorities have important roles as commissioners and deliverers of a wide range of local services.

The announcement in the Budget of an additional £1 billion for education next year is a clear example of our commitment to help local authorities in the all-important area of education. The increase will allow local education authorities to plan ahead over the next 18 months.

In the longer term, we are committed to abolishing crude capping. We cannot do so, however, until we have put in place other policies on local accountability, such as best value and local performance plans. In the meantime, we must settle the 1997–98 capping round in a way that is consistent with our undertaking to live within existing public expenditure plans.

Mr. Harry Barnes (North–East Derbyshire): There may be a number of Labour Members who are not entirely happy about the rate capping provisions and who are interested in the interpretation of manifesto and policy commitments, with which my hon. Friend has been dealing in connection with the position on rate capping. Once the order goes through, will that be the limit of the rate capping policy? If not, will the Government at least consider a rate capping policy that will be limited, in the way that it operates for Oxfordshire, Somerset and Warwickshire?

Ms Armstrong: My hon. Friend is right. We have a firm commitment in the manifesto, as I have just said. The Chancellor announced in his Budget, at the same time as providing substantial additional resources for education in the next year, that there would have to be a continuing capping regime. We inherited great public finance problems, which we have pledged to bring under control. It is, however, my right hon. Friend's objective and mine to meet the manifesto commitment to abolish capping as soon as possible.

My hon. Friend will have heard me say that we want to put in place other policies on local accountability. He will hear in the very near future announcements that begin to fulfil some of our manifesto commitments on matters such as best value. No one is more determined than I am to see local government become far more accountable to local people.

Mr. Jeremy Corbyn (Islington, North): I hear what my hon. Friend says about the future of local government finance and her determination to have a different regime. Given that, why is it necessary to cap the expenditure of the three authorities when they have made it clear that they cannot deliver the services that their populations require within the level of the cap? What difference would it make if the capping order was simply not made?

Ms Armstrong: My hon. Friend will hear the reason as I continue my speech. This settlement was made by the previous Government. We made it clear at the time that if the settlement was agreed in Parliament, it would not be fair to authorities throughout the land to change the rules after the election, especially if the election was as late as 1 May, because they had set their budgets. All the councils had problems and during the debate on the settlement, hon. Members explained the problems that their local authorities faced. All authorities face severe problems. It would not be fair to vary the rules for three authorities without just cause. I would then be subjecting the Government and others to accusations of great unfairness.

Mr. Tony Baldry (Banbury): Does not the hon. Lady recognise that by that answer she is running herself near to the possibility of judicial review? Under the legislation, she has to consider each local authority individually. By the nature of her answer, she has given the House the impression that she is not prepared to consider lifting the cap on any individual authority because, for electoral reasons, it would be unfair to the collectivity of other authorities. That is not the way in which the legislation is set out.

Ms Armstrong: If the hon. Gentleman reads *Hansard*, he will see that I have said that capping would not be lifted unless specific circumstances within the criteria allowed for it. Indeed, in one authority there were different circumstances, so the cap is not being placed automatically on all three authorities. My hon. Friend the Member for Islington, North (Mr. Corbyn) asked whether, without looking at the circumstances, I would say that the cap would not apply simply because certain authorities had spent over the cap. I was responding to the specific point that he raised.

Mr. David Heath (Somerton and Frome): I am grateful to the Minister, but I still do not follow her argument and I hope that she will develop it further. She seems to be saying that her main criterion is uniformity, rather than

the clearly expressed wish of local people to spend locally derived money on local services. What has that to do with central Government?

Ms Armstrong: The hon. Gentleman is making a different point. We are debating today's order within the rules that were set out for the 1997–98 settlement. The hon. Gentleman is making a point that is outside the previous Government's view of the relationship between central and local government and I shall address it in due course, when we have the legislative ability to do so.

Mr. Robert Jackson (Wantage): I am grateful to the Minister, who listened courteously to the delegation from Oxfordshire, as was her duty, because she has to take an objective view of the merits of the case. Will she give a categorical assurance that no assurances were given to Labour local authorities before the election that, if they did not set a budget above the cap, a new Labour Government would make concessions to other local authorities? It is believed that such assurances were given and her decision reflects that belief.

Ms Armstrong: I continue to marvel at the rumours that go round. There was certainly no such commitment on my part. However, there was a commitment that once the process had been agreed by the House, we would abide by it. We did not think it right to change the rules in the middle of the process. We made that absolutely clear to all local authorities. The Secretary of State for Health made that perfectly clear on national television, and we both made it clear in the House and when we met the Local Government Association.

Mr. John Austin (Erith and Thamesmead): I appreciate the real problems that my hon. Friend is experiencing, having inherited an inherently flawed system from the previous Government. I recognise the difficulties that she and her colleagues face, given that most authorities have operated within the rules. However, I hope that she will recognise my difficulties, as a former councillor of some 24 years and the former leader of a local authority that was rate-capped in every year that rate capping operated, although we were a low spender and a high provider of services and were recognised by the district auditor to be an efficient and effective council. Does she recognise, therefore, that there are difficulties for those of us who have an inherent objection in principle to the concept of capping? Is there any intention to review the system this year? What assurances can she give us that we shall see an end to the entire principle of capping in the not too distant future?

Ms Armstrong: I, too, was a member of an authority and I, too, have spent much of my life wanting to reshape and reform the relationship between local and central Government. However, I remind my hon. Friend that we have had 18 years of movement in one direction. We are now determined to turn the tide and move in a totally different direction, so that local people have the opportunity to hold their authorities far more to account than they are able to do at the moment. As I said, I shall be bringing forward proposals very shortly, on part of that agenda. I hope that, when the House is able to find legislative time, we shall be able to move on a much wider part of the agenda. We also have commitments in terms of public finance.

Sir Robert Smith (West Aberdeenshire and Kincardine): Will the hon. Lady give way?

Ms Armstrong: I should like to finish answering one intervention. I shall then press on. I shall take some interventions later, but I am only at the end of the first page of my speech and we are quarter of an hour into the debate.

I say to my hon. Friend the Member for Erith and Thamesmead (Mr. Austin) that I am determined that we shall move as quickly as we can to a new regime. In order to be fair to authorities, my right hon. Friend the Chancellor announced in the Budget two weeks ago the pattern for next year's settlement, so that they are able to plan and begin their budgeting now. We are determined to put public finances on a good footing, so that we can begin to deal much more effectively with the real deficit—which I accept exists in far too many authorities—in the quality of services that authorities are able to deliver because of severe cuts.

Mr. Tony Benn (Chesterfield): What is the bearing on public finances if a local authority raises money in accordance with the wishes of its local electors and spends the money? There is no increase in borrowing. Indeed, under the private finance initiative, it is perfectly all right for companies to raise money by selling shares and then use the money locally. I do not see—and I think that many local authorities do not see—any relationship between local democracy and public finances, although I agree that, at national level, the Government face a serious situation in regard to public finances.

Ms Armstrong: I have tried to make it clear to all hon. Members that the Government have a clear agenda on changing the relationship between central and local government and, indeed, between local authorities and their populations. That is, of course, an important issue. We are already involved in important and intensive discussions with local government on those very points. We shall be bringing forward consultation papers, which will arise partly from the consultation with local government, and they will be available for wider distribution.

I am determined that we move in such a way that local government knows that it is involved, so that the process is not simply government by diktat, saying, "This is what you will respond to." The previous Administration have got us into this situation, and I shall not take unfair decisions in order to try to get out of it. Although I understand what my right hon. Friend the Member for Chesterfield (Mr. Benn) is saying, because of the way in which the previous Administration ordered things, the amount that local government spends is a significant part of public expenditure. That is why the capping regime exists. We shall do what we can as soon as possible.

The House will recall that the total standard spending for England for 1997–98 is £45.66 billion—an increase of 2.5 per cent. on 1996–97—and that the settlement provided for what the previous Administration intended represented a 3.4 per cent. increase in education standard spending assessments.

[Ms Armstrong]

It is of course for each local authority to set its own budget and to decide its spending priorities. The capping principles for 1997–98 allowed almost all authorities to increase their spending by at least the total of increases in their education, social services and fire SSA blocks. That has become known as passporting. The result was that English authorities could on average increase their expenditure by some 2.4 per cent. Shire counties, which are the relevant bodies today, could increase their expenditure by 2.2 per cent. on average.

I recognise that it has been a tough settlement for all local authorities, and it was not one that we voted for. However, we made it clear to local authorities well before they set their budgets that we had little choice but to stick to the caps already proposed by the previous Administration. By the time we came into power, all authorities had already set their budgets and only three had budgeted over cap. For us to announce a general relaxation of caps at that stage would have been totally unfair to all the authorities that had previously taken tough budget decisions. As a result, when we confirmed the capping principles on 22 May, we proposed cap limits that required Oxfordshire, Somerset and Warwickshire county councils to reduce their budget requirements. All three authorities have challenged their caps—as the legislation allows—and have proposed that they should be allowed to budget at the level that they had originally set.

I should stress that, in reaching a view on the final capping limit for those authorities, we have to take account of the specific local circumstances of each authority. We have, therefore, considered each county's case carefully and I have met delegations from each authority to hear its case in detail.

Mr. Robert Jackson: The Minister rightly says that she is obliged to consider the specific case of each authority, but that completely destroys her argument that she is simply implementing the previous Government's policies. Last year, the previous Government agreed to additional resources for Oxfordshire. They were prepared to consider the case and they met it. This year, the Minister—given the same opportunity to consider the local arguments and circumstances—has turned Oxfordshire down.

Ms Armstrong: Oxfordshire put a specific case this year and I considered it. I shall deal in a moment with the specifics of the case.

During the debate, I am sure that we shall hear many examples of the efficiency of each authority. I have made it clear before that it is important that authorities pursue efficiency gains, as that will enable them to provide the best services at value for money for local people. I look for that continuing improvement in authorities. Capping, however, is not about whether an authority is efficient: it is about whether the cap proposed for that authority is reasonable, achievable and appropriate. The fact that an authority claims to be efficient is not of itself a justification for it to take a larger slice of the cake of general Government expenditure. The demands of individual authorities have to be examined in the context of the needs of the economy as a whole.

Mr. Bill O'Brien (Normanton): I accept that the limit set by the Government is within the confines of the amount that an authority needs to provide its services. My local authority and I are concerned about the formula that is used to distribute resources and determine their level, because it contains discrepancies in many areas, including the education of children, the provision of social care and other issues. Changes must be made for the sake of fairness and the genuine need to help local government. Will my hon. Friend take those concerns into consideration?

Ms Armstrong *rose—*

Mr. Mike Hancock (Portsmouth, South): Will the Minister give way, on the same point?

Ms Armstrong: I must deal with one intervention at a time, and I am sure that you, Mr. Deputy Speaker, will ensure that I do.

I accept the point made by my hon. Friend the Member for Normanton (Mr. O'Brien) that there is a feeling abroad, especially in his local authority and in many nearby, that the formula has not been fair. He will know—if he did not, I hope that he will ensure that his authority immediately takes advantage of the knowledge—that working parties involving the Local Government Association and officials from my Department are already examining the criteria, and the case that authorities such as his have made.

I hope that we shall be able to come up with a fairer system. We shall not be able to do everything that we would want to do, because that will need action such as revaluations and more research. None the less, we are determined to make things much fairer, and to ensure that local authorities at least know that they are part of determining the system, as well as having it imposed on them.

Mr. Hancock: The Chancellor of the Exchequer had a short period—less than 10 weeks—to prepare a Budget and present it to Parliament. So does the Minister not believe that her Department had ample time to prepare a change in legislation that could have been agreed, and would have allowed a fair system to operate in local government? Does she think it fair that a Labour Government are ordering local authorities to sack teachers and to deprive the elderly of domiciliary care that they desperately need and deserve?

Ms Armstrong: I am not certain exactly what legislation the hon. Gentleman would have expected us to put through the House in that time. We are not asking authorities to sack teachers; we are asking them to order their priorities within the organisation so as to deal with the priorities of their own areas.

Oxfordshire has set a budget of £345.530 million—£6 million above its proposed cap. It argues, as its representatives did when they came to see me, that since 1991–92 it has reduced spending by £60 million, so the scope for further savings is severely limited. It also argues that many of the spending pressures are outside its control, and that it has no significant reserves that it could use to support its revenue spending.

I do not dispute the fact that Oxfordshire has reduced its spending in recent years. I would point out, however—for it is not always made as clear as it might be—that we

are talking about reductions against plans and projections, not about cash cuts. In fact, since 1991–92, Oxfordshire's budget has increased, on an adjusted basis, by 17 per cent. in cash terms. Furthermore, all authorities have had to make significant reductions in recent years.

Oxfordshire challenged its cap last year and as a result was granted a supplementary credit approval for £3.5 million. It was made perfectly clear at the time that that was meant as a one-off measure, to give the authority time to tackle its budgetary problem. As the right hon. Member for Suffolk, Coastal (Mr. Gummer), the previous Secretary of State, said in last year's debate, the SCA was intended to give Oxfordshire

"another year to get its budget into line with our assessment of an appropriate level of expenditure."—[*Official Report*, 22 May 1996; Vol. 278, c. 355.]

There is nothing—and there was nothing either in its presentation to me or in the answers to the questions that I asked—to suggest that Oxfordshire used the time provided by that one-off support to bring its expenditure more into line with its cap this year. On the contrary, the SCA was used solely to support revenue expenditure at a level that clearly would not be sustainable this year.

Mr. Ken Livingstone (Brent, East) *rose—*

Ms Armstrong: I think I have already given way enough—

Mr. Livingstone: The Minister is misleading the House.

Ms Armstrong: It is now even less likely that I shall give way.

Mr. Livingstone *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Lady is not misleading the House; neither is she giving way.

Mr. Livingstone: On a point of order, Mr. Deputy Speaker. Most hon. Members have received a briefing that clearly states that Oxfordshire is the lowest-spending English county—whereas the Minister is making it sound as if Derek Hatton runs the damn place.

Mr. Deputy Speaker: Order. Briefings that may be circulating have nothing whatever to do with the Chair, who is concerned only with the business before the House.

Ms Armstrong: I have not put out any briefing, and I am going on to deal with the very point that the hon. Member has just raised. I am not saying that I will not give way at all, but I do think Members should listen to what I have to say about Oxfordshire before I give way again.

We accept that Oxfordshire has no significant useable reserves, although it is by no means the only authority in that position. Furthermore, that of itself is not sufficient reason to agree to a concession. If it were, it would be a perverse incentive for authorities to be profligate with their reserves so as to get a capping concession. That would hardly be a sensible signal to give local authorities.

We have carefully considered all the relevant aspects of Oxfordshire's case. We do not consider its position different enough from that of other LEAs to justify a relaxation in its capping limit. Its permitted increase of 2.2 per cent. was the average for the counties and more than the average for other LEAs, such as metropolitan districts, which received 1.8 per cent.—yet all of them managed to set budgets within their provisional cap. It was difficult and painful, but they did it. We therefore propose that the original cap should be enforced. If the draft order is agreed to, that will result in a council tax reduction of almost £28 for a two-adult, band D household in Oxfordshire.

I understand that Oxfordshire is taking steps to put its financial house in order; it discussed that with me at a meeting. Councillors told me that they are in the process of adopting an action plan, which will involve short-term reviews, medium-term planning, target setting and zero-based reviews. I hope that those measures will bring real benefits to the authority through efficiency gains and improved service delivery.

To answer my hon. Friend the Member for Brent, East (Mr. Livingstone), we do not think that spending per head is the best measure of need to spend. Making allowance for the differing circumstances of each authority, Oxfordshire spends more than 13 other county councils do, compared with SSA. I did not therefore have sufficient grounds to treat Oxfordshire as a special case and raise its cap.

Dr. Evan Harris (Oxford, West and Abingdon): The hon. Lady has said that the £3.5 million supplementary credit approval is sufficient this year to solve Oxfordshire's problems, yet in last year's debate she agreed with other hon. Members that it would be no more than a temporary measure to solve the acute problems at that time. Do not Oxfordshire's problems this year result solely from that temporary measure? Interest has to be repaid on the loan—

Mr. Deputy Speaker: Order. That is far too long an intervention.

Ms Armstrong: I understand the point that the hon. Gentleman is trying to make. But I did not say it was sufficient; I said it was given for a specific purpose. The authority made the decision not to use it for that purpose, and that is part of the problem that it has this year.

Mr. Robert Jackson: Will the Minister give way?

Ms Armstrong: No. I believe that I have given way twice to the hon. Gentleman.

Mr. Livingstone: She has not given way to me, either.

Ms Armstrong: Fine. I said that I would give way when I had finished the Oxfordshire case, and I shall do so.

Mr. Livingstone: The problem is that in the 1980s a Conservative-controlled council kept spending at a bare minimal level. Now that a decent coalition has come together, the council is caught because of its inheritance. It is not fair, because the system depends on whether one has the good or ill fortune of having had a council of a particular complexion in the past.

[Mr. Livingstone]

The Minister speaks of the need for accountability, but is she not aware that Oxfordshire councillors went to the people on the same day that we in the House were elected, and won an overwhelming mandate for the council's budget? What right has a Cabinet dominated by people from Scotland and the north, who have had the good fortune to have long-standing Labour councils that have built up decent services, to tell people from southern areas that we cannot catch up?

Ms Armstrong: It is interesting to hear that the hon. Member now wants to represent a shire area. I would welcome him to Durham; we, too, are a shire area. We may be in the north, but my authority suffers many of the same problems as Oxfordshire, but with the lowest income per household of anywhere in the country. I will not take lectures, even from my hon. Friend, about problems in local authorities.

Somerset has set a budget of £288.145 million, £3.4 million above its provisional cap, and says that all the additional money will go to schools and social services. It argues that it has the lowest permitted increase of all the counties and no significant useable balances. It also stresses how efficient it is.

It is worth repeating that capping is not fundamentally about efficiency. I hope that I can introduce a regime that is much more about efficiency. If it were, local authorities could simply increase expenditure as they saw fit, provided that they remained efficient. Such an approach, however, takes no account of the need that all Governments have to ensure that local authorities work with them in their public expenditure ambitions.

Somerset claims that all its additional spending above the cap is for education and social services. If that were to be the case, a budget at cap would involve those services being reduced by £3.4 million. In fact, Somerset has told me that, if it budgets to cap, the £3.4 million of savings will be made this year by cutting capital expenditure.

Mr. David Rendel (Newbury): Liberal Democrat Members recently congratulated the Government on signing the charter for local self-government, which was an excellent thing to do. Surely the Minister must realise that that is completely incompatible with what she has just said about the need for Governments to control local government expenditure.

Ms Armstrong: The hon. Gentleman will see in *Hansard* tomorrow that that is not what I said.

As with Oxfordshire, we accept that Somerset has no significant useable reserves but, as I have already explained, that of itself cannot be sufficient reason to agree a capping concession.

Sir Robert Smith: The Minister is saying that the absence of reserves cannot be accepted of itself as a condition for lifting the cap. She said in the case of Oxfordshire that the reason for not wanting to do that was that it would set a precedent, but she also said that she was planning to change the whole capping regime, so surely it would be reasonable to accept this year that with no reserves it would be stupid to impose a cap, which can only do damage to this last year of the current regime.

Ms Armstrong: I think that I have dealt with that matter already. It is truly remarkable what hon. Members hear: they hear what they want to. I did not say in regard to Oxfordshire that anything was a precedent. Indeed, I talked about Oxfordshire not having useable reserves, and that not being a reason to lift the cap. The hon. Gentleman may disagree with my explanation, but I have none the less given it.

Having carefully considered all the relevant aspects of Somerset's case, I do not consider its position to be sufficiently different in degree or in kind from that of other local education authorities to justify a relaxation in its capping limit. Its permitted increase of 2 per cent. was the same as that of 10 other counties, and more than the average for metropolitan districts. We therefore propose that its original cap should be enforced. If the draft order is agreed by the House, it will result in a reduction of council tax in Somerset of £20 for a two-adult band D household.

Warwickshire has set its budget at £294.335 million—£2 million above its proposed cap. Warwickshire's case is unusual in that it turns on a single issue: the interaction between capping and the supplementary credit approvals that it has received for its major schools reorganisation programme. The difficulty for Warwickshire is that, although it gets additional standard spending assessment to cover the costs associated with the SCAs, it cannot increase its expenditure in the same way—the allowance was not passported through. As a consequence, the costs of servicing the SCAs have to be met by making reductions elsewhere in its budget.

We would not normally make a capping adjustment to reflect the costs of SCAs. However, we are keen to encourage authorities to grasp the nettle of removing surplus places. Warwickshire has made a serious attempt to tackle the problem of surplus places. Its reorganisation programme is by far the largest in the country; it has needed £27 million of SCAs from the Department for Education and Employment and has involved the closure of 24 schools and the merger of 22 more.

The results have been impressive: surplus places are down from 19 per cent. at the beginning of the 1990s to a projected 9 per cent. by 1999. Warwickshire has demonstrated that the £2 million that it has budgeted above the cap is an accurate reflection of the impact on its revenue budget of the schools reorganisation programme. It has also said that, if the cap is relaxed, all the additional £2 million will go to schools.

We have taken account of the fact that Warwickshire has been prepared to take tough decisions that will lead to savings in the longer term. We therefore propose that Warwickshire be capped at £294.335 million, £2 million above its original cap. That means that it will not have to reset its budget or incur the costs of rebilling.

We have considered carefully all the points raised by all the authorities involved in the capping process, to ensure that the caps that we have proposed are reasonable, appropriate and achievable. Where there are special circumstances, we have been prepared to make a concession. If the order is approved, we shall serve a statutory notice on each authority formally setting its cap.

The authorities will have 21 days to reduce their budget in line with their cap and to set new lower council taxes. The final outcome will be a reduction in this year's council taxes in the affected areas of more than £9 million.

I commend the order to the House.

4.48 pm

Mr. Tim Yeo (South Suffolk): In proposing the order, the Minister attempted to claim that it maintains the previous Government's policy. That is an argument that I have heard with interest and increasing astonishment. It is not an argument that has been much used by the Government, even on those issues on which they have been attempting to maintain our policies. It is also not an argument that rests easily with their constant insistence, on many other issues, that they will stick to their manifesto commitments. Indeed, the inclusion of a commitment in the manifesto apparently removes the need for the Government to ask for parliamentary time to allow a debate to take place before the policies are implemented.

As regards this order, the argument is completely flawed—and not merely by virtue of the fact that it reverses the stance that the Labour party took when we last debated this matter just over a year ago. Since the previous Government set out the figures for council spending—the standard spending assessments, the provisional capping limits and all the rest of the data—the situation has materially changed in three respects. First, the inflation target has been officially increased from 2 per cent. to 2.75 per cent. both for the current year, 1997–98, and for 1998–99. By loosening the reins on inflation without any compensating increase in the spending limits, the Government have effectively cut the level of service that councils can provide and that council tax payers can reasonably expect to receive.

Secondly, having handed over control of interest rates to the Bank of England—not, incidentally, a manifesto commitment, but also an issue on which the Government did not feel it necessary to come to the House to announce—the Chancellor introduced an ill-judged Budget that attacked the corporate sector and penalised long-term saving but did nothing to curb consumer spending. As a direct result of that Budget, interest rates have risen, thus adding further to the costs that local authorities must bear.

Thirdly, the Chancellor's smash-and-grab raid on pension funds, which—[*Laughter.*] It may be a matter of amusement to Labour Members, but every holder of a personal pension will now have to pay considerably more to maintain the benefits that they thought they had secured until the Chancellor launched his smash-and-grab raid. That may be a matter of amusement to Labour Members, but it is not a matter of amusement to millions of pension fund holders outside the House.

Mr. Tom King (Bridgwater): Is my hon. Friend aware that it is not merely a question of the extra that they will have to pay? According to the director in charge of the pension fund for all the employees of a company in my constituency, the employees are already paying the maximum that they are allowed under the Inland Revenue rules. The measure will mean that they will all face a cut in their pension, which is unavoidable.

Mr. Yeo: I am grateful to my right hon. Friend for pointing that out. It is a very serious matter.

Mr. Bill Olner (Nuneaton): On a point of order, Mr. Deputy Speaker. The intervention had nothing to do with the order.

Mr. Baldry: Further to that point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: I shall answer the point of order before we hear about anything further to it. The hon. Member for Nuneaton (Mr. Olner) has a point. This is a local authority matter. It relates to a number of counties in England. It is not, therefore, as wide as employees' pensions.

Mr. Baldry: Further to the point of order, Mr. Deputy Speaker. Clearly you were not here for the beginning of the debate when Madam Speaker was in the Chair. She allowed the Minister to range much more widely than the close confines of the order and to introduce the debate, as I am sure your Clerks will advise you, with a general summary of the Government's local government policy. It is staggering that the Treasury team should be afraid to acknowledge that the Budget provisions on pension funds will cost Oxfordshire £2 million, which it estimates will cost 100 teaching jobs.

Mr. Deputy Speaker: Order. We are dealing with local government finance, not pensions in general.

Mr. Yeo: I will explain the exact consequences of the Chancellor's smash-and-grab raid for the local authorities mentioned in the order.

Mr. Nicholas Soames (Mid–Sussex): In the context of local authority finance—it is clearly in that context—is my hon. Friend aware that West Sussex county council has written a letter to Sir Jeremy Beecham warning him that the finances of the county council and, therefore, of council tax payers will be grievously affected by the Chancellor's smash-and-grab raid on the pension fund, as will pensioners? Will he explain to the Minister for Local Government and Housing on behalf of Conservative Members that it is not enough for her merely to sit there with a smug smile on her face when pensioners and council tax payers will be grievously undermined, having already been so undermined by a lamentable Liberal Democrat administration—now succeeded by an admirable Tory one? Nevertheless, the measure will cause great harm to West Sussex county council.

Mr. Deputy Speaker: Order. Perhaps the House can do me a service. As a guideline, interventions should not be as long as the hon. Gentleman's.

Mr. Yeo: Nevertheless, Mr. Deputy Speaker, in that case your tolerance was clearly justified. My hon. Friend has a growing—indeed, a formidable—reputation as a doughty champion of the interests of West Sussex county council, its council tax payers and all current and future pensioners of that council. That is a serious issue, which Labour Members persist in finding extraordinarily funny. It is not funny for pensioners whose pensions are now at risk or for holders of personal pension funds who will

[Mr. Yeo]

have to increase contributions to maintain their benefits, and it will not be funny for council tax payers throughout the country.

Ms Armstrong: Does the hon. Gentleman accept that there will be no impact on local government until April 1999 at the earliest? *[Interruption.]* I am intervening, so I cannot respond to all those sedentary interventions. We have already begun to engage with local government on how the change will affect it and on the necessary steps to ensure that council tax payers will not have to pay anything additional.

Mr. Yeo: To use a phrase used many years ago in the House, I intend to deal closely and with relish with precisely the point the hon. Lady made, which is wholly unfounded, completely untrue and reflects an arrogance, a disregard and a contempt for the interests of pensioners current and future that I find breathtaking even from a Minister as ignorant of her brief as the hon. Lady.

The smash-and-grab raid was carried out in defiance of warnings received from Labour Back Benchers. It has placed a massive extra burden on councils.

Mr. Andy King (Rugby and Kenilworth): When?

Mr. Yeo: As of two weeks ago. The income of council pension funds throughout the country started to be reduced two weeks ago yesterday. Never mind whether the next valuation is this year, next year or in 1999, the consequences are being felt today and the bill grows daily. The abolition of advance corporation tax relief on dividends has been estimated by the Labour-controlled Local Government Association to cost councils £300 million a year. I will return to that point.

The three new burdens on councils—the increase in inflation, higher interest rates and pension tax changes—all result directly from—

Mr. Austin: On a point of order, Mr. Deputy Speaker. I seek your guidance. Is the debate about council tax or the council tax limitation order? In which case, is the hon. Gentleman in order to extend the debate?

Mr. Deputy Speaker: The hon. Member for South Suffolk (Mr. Yeo) is in order. If he had been out of order, I would have been the first to say so.

Mr. Yeo: I am grateful to you, Mr. Deputy Speaker.

The three burdens on councils that I mentioned all result directly from actions of the Labour Government taken since 1 May. As councils all over the country, including the three mentioned in the order, start to feel the pinch, I have no doubt that the Government will repeat that they have merely maintained the limits set by their predecessors and that some of the burdens do not have to be dealt with until 1999. Those claims are rendered false by the deliberate way in which council costs have been substantially increased. Those extra costs arise as of now. It is because that situation has changed so fundamentally that the Opposition will not be voting to support the order this evening.

Mr. Robert Jackson: My hon. Friend is dealing effectively with the Minister's central argument that she is simply implementing the policy of the previous Government. As he explained, that is a highly implausible position. Does he accept that, last year, under the system by which it is possible for counties to set budgets above cap and appeal for their cases to be considered on their merits, Oxfordshire's case was recognised by the Conservative Government and that the Minister then responsible, my right hon. Friend the Member for Skipton and Ripon (Mr. Curry), has stated publicly that he would have recommended acceptance of a budget above cap if the Conservatives had been re-elected?

Mr. Yeo: My hon. Friend has placed on record a most important point. *[Interruption.]*

Mr. Deputy Speaker: Order. I am sorry to keep interrupting but there is too much noise in the Chamber. I must be able to hear what the Opposition spokesperson is saying. The House should be calm.

Mr. Yeo: The Minister gave an intriguing answer to the hon. Member for Normanton (Mr. O'Brien), who is no longer in his place. He asked about the distribution of resources among local authorities. The Minister replied that she hoped to achieve in due course a fairer distribution. What does that mean? If it means more cash for Normanton, which councils will receive less cash in the name of achieving greater fairness? Which of the criteria that are used to allocate resources among councils are she and her officials considering changing? When the Under-Secretary replies, will he say which criteria he proposes to revise?

In her 40-minute speech, the Minister, despite starting by saying that she would make some general remarks about the Government's intentions on capping, gave very little clue about their precise intentions. That is a great pity because there is much uncertainty among councils and council tax payers. Indeed, there appears to be a fair amount of uncertainty in the House, even extending to the Government Back Benches and the hon. Member for North-East Derbyshire (Mr. Barnes), who is no longer in his place.

The Labour party manifesto unequivocally pledged:

"crude and universal council tax capping should go".

That pledge was repeated by the Deputy Prime Minister in his Budget day press release, but apparently it is not going to be honoured this year; nor, apparently, will it be honoured next year. When will it be honoured? When will councils enjoy the freedom that the Labour manifesto promised them and which many thought they would be starting to enjoy now? Will the Under-Secretary give the exact timetable?

Mr. Baldry: Does my hon. Friend agree that this is all the more extraordinary because it is one of the few changes that does not require primary legislation? Deciding on capping is a power, not a duty. There is nothing to inhibit the Government's exercising their power and achieving their manifesto objective, this year or any other, if they wish.

Mr. Yeo: My hon. Friend makes an important point. The matter could be dealt with immediately if the Government so chose. If when he replies the Under-Secretary is unable to give the House a firm timetable for

the implementation of the pledge, the suspicion will grow that it will join the growing list of manifesto promises that Labour has thrown into the waste paper basket.

Mr. Robert Jackson: Far from abolishing the crude system of capping, the Government have made it cruder by not applying it with proper discretion.

Mr. Yeo: One of the legitimate criticisms of the capping system is that it has a substantial arbitrary element. *[Interruption.]* I acknowledge that it is not an unflawed system. If the pledge is eventually honoured, what will replace the present capping system? Labour's manifesto also states:

"we will retain reserve powers to control excessive council tax rises."

I wonder whether the hon. Member for Brent, East (Mr. Livingstone) suspects that that is capping under another name. Perhaps the Minister without Portfolio thinks that that is how capping should be described.

Mr. Livingstone: I suspect that something nasty that I do not agree with may be coming along, but what depresses me is that I have not heard a word of apology from the party that brought in capping, imposed it on councils, and bankrupted the councillors who fought it. To make stupid partisan points when we are discussing the quality of life for children in care and the elderly in the local authorities concerned will be regarded as offensive by residents of those areas who are watching this stupid knockabout. We should focus on the parts of the Minister's statement that many of us are deeply unhappy with. All that this rant from the Opposition will achieve is to force some of us who had no intention of doing so to go into the Government Lobby.

Mr. Yeo: I expect to receive appreciation from an unexpected quarter. The Government are unable to persuade the hon. Gentleman to vote with them by their arguments but, speaking for the Opposition, I have been able to do so on their behalf. I make no apology whatever for having saved council tax payers in Lambeth, Southwark, Hackney and Islington from outrageous increases in council tax, which were hardly ever by matched by quality of service, by means of the capping system.

The Minister said that the Government have a clear agenda. If she has a clear agenda, under the system that will replace capping, will councils that set budgets that the Government consider too high be subject to a cap? Will the Government continue to set spending guidelines for each council? If they will not, will they each year set a percentage spending increase applicable to all councils to be regarded as the maximum permitted? Will the increase be equivalent to the rate of inflation, or inflation plus 5 per cent., 10 per cent., 20 per cent., or what?

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): That has nothing to do with the debate.

Mr. Yeo: It has everything to do with the debate because the Minister raised these very important questions in her speech. We wish to know the answers. In an hour or so, the Under-Secretary will have a chance to give them.

This debate is the ideal opportunity for setting out, even in general terms, the Government's thinking. Significant costs are incurred if a council that is capped has to revise its budget and send out amended council tax demands. If the Government retain a reserve power to cap without clearly stating in advance what specific criteria councils will be judged by, there is a danger of getting the worst of both worlds. Councils that still have spendthrift tendencies may wish to test the Government's resolve by setting sharply higher budgets. The general level of council spending is likely to rise quickly in the short term because councils may fear that they could later experience the re-imposition of capping. The sooner the Government clarify their intentions, the better.

Dr. Alan Whitehead (Southampton, Test): Will the hon. Gentleman set out the criteria that the Conservative Government set for capping when they instituted it?

Mr. Yeo: I appreciate that the hon. Gentleman has not been here long, but his party is now in government. It is the Government who must answer questions. When we come to fight the next general election we will set out our policies on local authority spending. For the time being, it is the Government who must answer questions about their intentions on the control of council spending.

I shall now return to the crucial subject of the Budget's abolition of tax credits for pension funds. The Chancellor took that extraordinary decision—a smash-and-grab raid—despite a stark warning from the hon. Member for Putney (Mr. Colman), who wrote to the Chancellor that it had been estimated that the abolition of ACT would add at least £300 million to local authorities' pension costs and that no such increase could be afforded by local authorities without making further cuts to services to their local residents, given that the alternative—raising council tax—would be difficult under current restrictions.

The hon. Member's letter was written before the Budget and the figure of £300 million has been confirmed by the Local Government Association since the Budget.

The Government's reaction, however, remains extraordinary. We have seen this afternoon that many Labour Members consider it a matter of mirth. The Financial Secretary to the Treasury and, this morning, the Secretary of State for Social Security claimed that the Budget was good for pensions. Their claims fly in the face of reality. The reaction of the Minister for Local Government and Housing was dismissive and irresponsible. When she replied to the hon. Member for Putney on 3 July, she said that the Government would take all these factors into account in determining the level of local authority provision for 1999–2000 and subsequent years.

If councils do not increase their pension fund contributions until 1999–2000, the problem will have assumed horrendous proportions. Failure to act for the next two years does not make the problem disappear; it simply makes it much more serious. In some cases, depending on the actuarial position of individual pension funds—possibly those in West Sussex to which my hon. Friend the Member for Mid–Sussex (Mr. Soames) referred earlier—if the change is not responded to immediately by an increase in contributions, it might even jeopardise the possibility of individual pension funds meeting their financial liabilities. Extra contributions into those pension funds can come from

[Mr. Yeo]

only one of three sources: cuts in services, increases in council tax, or a higher revenue support grant. The significance of those choices for today's debate is that, as long as capping remains in place, the second option is effectively ruled out.

All councils, including the three referred to in the order, face the prospect of cutting services. The shortfall in dividend income to pension funds started to accumulate two weeks ago, immediately after the Budget, so the longer the Government postpone a decision on how to meet that shortfall the worse the problem becomes. The £300 million problem faced by the Government this year becomes a £600 million problem next year and a £900 million problem by the time the Minister proposes to get round to considering it.

Somerset county council faces the prospect of having to curb spending plans by £3.4 million. By 1999–2000, it will have to find £6 million of extra pension fund contributions. My right hon. Friend the Member for Bridgwater (Mr. King) will explain to the House in a moment the consequences of the order for his constituents and those in the rest of the county. Consider how devastating the consequences of the Chancellor's smash-and-grab raid will be for Somerset.

Warwickshire county council made a persuasive case about the consequences of a £2 million reduction in spending plans—the effect of the cap originally announced by the Secretary of State. By 1999–2000, Warwickshire will have to find almost £4 million for extra pension fund contributions.

Oxfordshire county council proposes to meet the required cut of £6 million by sacking 50 teachers, closing 15 small libraries, abandoning transport for post-16 pupils, cutting £500,000 from building maintenance and cutting £1 million from the roads maintenance programme. On the subject of Oxfordshire, which my hon. Friend the Member for Banbury (Mr. Baldry) will enlarge on in a moment, I ask the Minister for Local Government and Housing whether she agrees with the statement made on 22 May 1996:

> "The Government are acting against the wishes of the people of Oxfordshire . . . The people want the opportunity to fund their schools and their social services properly, but they know that the Government will manipulate the figures to ensure that they cannot do that. That is not good enough."—[*Official Report*, 22 May 1996; Vol. 278, c. 359.]

That is what the hon. Lady told the House in a debate last year. If she still believes that that is true, why is she moving this order today? If she does not believe that it is true, what caused her to change her mind?

Mr. Robert Jackson: My hon Friend has described the costs that will be imposed on pension funds against the background of the lowest-spending county council in the country—Oxfordshire. That county council would need to spend an extra £13 million if it were to spend at the average budget level: The Minister spoke about it as though it were a profligate council; it is a well-run council that will be gravely damaged by the order.

Mr. Yeo: My hon. Friend is absolutely right. On top of the cuts which Oxfordshire county council faces as a result of capping, it faces an extra £2 million bill for pension fund contributions every year from now on. That means that another 17 teachers face the sack, five more small libraries face closure and more buildings and roads will go unmaintained. That is the effect of the smash-and-grab raid the Chancellor has carried out on the pension fund to which Oxfordshire county council contributes.

Mr. Soames: Does my hon. Friend agree that the woeful tale of what has been inflicted on Oxfordshire as a result of the Government's decision could also be inflicted on West Sussex? If it has to make up the shortfall brought about by the smash-and-grab raid from its own resources, the same awful cuts will be inflicted on West Sussex county council—with a new administration—which has run its affairs with a good deal of prudence.

Mr. Yeo: My hon. Friend has put his finger on the point. His county council and many others will face a crisis when they draw up their budgets next year because of the Minister's refusal to say that she will even consider the problem for two years.

One local authority which, I am glad to say, avoided capping this year, is the London borough of Hillingdon. Its spending is currently some £190 million a year but it now faces a bill of £2.2 million a year extra for its pension fund contributions. Where do the Government think Hillingdon should find that money? Will Hillingdon's cap be raised next year so that the shortfall—

Mr. Deputy Speaker: Order. The hon. Gentleman must not dwell on local authorities that are not specifically mentioned in the order.

Mr. Yeo: I accept your ruling, Mr. Deputy Speaker. Hillingdon had been in my mind because I spent a pleasant morning there today in the company of an excellent local resident and business man, John Randall.

In dealing with this issue, the Government come face to face with an unpleasant reality. Those early joyful days when the Government Benches were packed with new hon. Members waving their Order Papers at every utterance of the Minister who was speaking are passing. Many Labour Members elected for the first time this year have backgrounds in local government. They know privately what this smash-and-grab raid means for councils throughout the country, which is why they have been told not to speak to the media about it. I hope that, before long, some of them will have the courage and integrity to recognise that they were elected not to echo the Prime Minister's words or to jump at the whim of the Minister without Portfolio, but to serve the interests of their constituents, to exercise their judgment on behalf of the voters and to use the freedom of speech in the House. Hiding from the problem created by the Government will not make it go away; postponing looking for a solution will not make the solution easier to find, cheaper to implement or more palatable to those who pay the bills.

This debate is timely. The order is a valuable reminder of the difficulties faced by many councils—difficulties created in the past two and a half short months by the new Labour Government. They are difficulties to which the House will return, time and again, in the coming months and they will get infinitely worse as each week goes by without the Government facing up even to the need for a solution. There is time, even during this debate,

for the Government to show that they understand and are willing to grasp the nettle but, in the absence of any indication that they are doing so, Conservative Members will not vote for the order.

5.19 pm

Mr. Andy King (Rugby and Kenilworth): Thank you, Mr. Deputy Speaker, for allowing me to use today's debate to make my maiden speech.

I am extremely honoured and privileged to be here representing the constituency of Rugby and Kenilworth. I turn first to the person whom I have replaced, Mr. James Pawsey. He was a good constituency Member of Parliament and an extremely worthy opponent. I wish him and his family well. A Member of Parliament who preceded James Pawsey was Bill Price, who served the constituency of Rugby between 1966 and 1979. Throughout the campaign, I was constantly reminded of how good a constituency Member of Parliament Bill Price had been by people who spoke of him warmly and affectionately. I have never met Bill Price, but I look forward to meeting him one day soon. I thank him for the service he gave to Rugby.

In preparing for my speech, I looked at the maiden speeches of both James Pawsey and Bill Price. It is strange how cyclical issues are—they come back to haunt one. James said:

"I move from the question of reorganisation to that of falling rolls. I believe that falling rolls, particularly in primary schools, represent a magnificent opportunity to improve the teacher-pupil ratio."

Sadly, during their 18 years in government the Conservatives failed singularly to address that issue, which is so important to young children. He also said:

"Indeed, I hope that the present Administration will look for fairer means of financing local government, for the present system of financing local government is manifestly unfair."—[*Official Report*, 16 May 1979; Vol. 967, c. 346.]

The Conservatives failed on that, too, I am afraid. They failed terribly in respect of Warwickshire and the people of Warwickshire do not feel that they have been treated fairly, especially in the past seven years. Lastly, James turned to another issue of the day—the Hospital of St. Cross, which has been constantly under threat throughout the period during which my predecessors were in this place.

The constituency of Rugby and Kenilworth is at the very heart of England. It has enjoyed local industry—especially manufacturing—and is now beginning to welcome new industries to the area. We have two large traditional industries. I wish GEC Alsthom especially well at this time. I visited it some six months ago with my right hon. Friend the Member for Derby, South (Mrs. Beckett), now President of the Board of Trade, and I was extremely impressed by the standard and quality of the manufacturing taking place in Rugby. Peugeot has a plant at Ryton in my constituency and is also doing extremely well. Warwick university is situated near Kenilworth and has an enormous influence on life in the town.

Rugby and Kenilworth have suffered quite badly during the recessions experienced under the Conservative Government, but we are at last seeing regeneration in our area. Large shops are returning to our town centres, which currently look more like Beirut than those of a modern economy. Sainsbury has recently moved into Kenilworth high street, which is excellent news because the shops there were dying. At long last, there is about to be a major redevelopment in Chapel street in Rugby, and Marks and Spencer is committed to opening a large new shop there. I welcome those moves by two large retailing companies, which show confidence in Rugby and Kenilworth.

As one of my first duties, I had the privilege of opening the new temporary library in Rugby—another long-awaited development. In fact, we have been waiting for the best part of 50 years and we are looking forward to having within one or two years a new library, a new museum and a new art gallery in Rugby.

Jim Pawsey referred to the reorganisation of schools and the use of receipts from such a reorganisation. As my hon. Friend the Minister for Local Government and Housing said, we undertook a major reorganisation of Warwickshire schools. We based that reorganisation on a full and proper consultation with all of the stakeholders in the system—pupils, governors, parents and teachers—and at the end of the process we came up with the right result. We took some very painful decisions, but the children of Warwickshire and of my constituency have benefited enormously from that reorganisation.

Today the people of Warwickshire are about to embark on another consultation exercise, this time about the future of health services at the Hospital of St. Cross. I want that consultation to be as meaningful as the exercise undertaken in respect of the reorganisation of education in Warwickshire. I want my constituents to play a full and informed part in the debate, which is to take place over the next three months. I want us to emerge at the end with a national health service that is worthy of a Labour Government—one that enables us to deliver good-quality services at local level for our country's people.

I greatly welcome my hon. Friend the Minister's handling of the sensitive issue of the £2 million for Warwickshire. That money is vital to the county in delivering the quality of education to which we are committed. My hon. Friend listened to our case and understood our uniqueness and I am eternally grateful to her for doing so. She mentioned that we took out surplus places in Warwickshire—in fact, 10,000 were taken out during the reorganisation, and every penny of the money saved has been put back into the pupils. We have targeted all our expenditure on the children who need the resources for their education. We have also reinvested in crumbling schools, and I am proud of the results of our efforts.

I am also very proud to have been a member of Warwickshire county council for the past eight years. Ian Bottrill has provided superb leadership in guiding us soundly and safely through a very difficult period. I pay tribute also to John Airey, who was chair of education during the reorganisation. He recently left politics, and I wish him well. I hope that he will return to public office in the very near future.

In Warwickshire, we are determined to provide the best possible education for our children. We will use the £2 million to reduce class sizes for five, six and seven-year-olds, and we shall deliver on the Labour party's promise to make education our first priority. As I have said, the Minister has listened to and understood our arguments, and she has begun to address the unfairness in funding for Warwickshire.

The previous Government listened to us often, but they never took action to address the problems. This Government have acted: we are committed to a partnership

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between central Government, local government and industry. I look forward to participating in that meaningful partnership, and I shall truly value the experience of working together. At long last, we have a national Government who support local government.

Warwickshire representatives at all levels—Members of Parliament and councillors, both county and borough, district and parish—have worked together across party political boundaries. We have agreed fully when fighting for Warwickshire's cause not just in the past few months, but over the past five years. I hope that that spirit of co-operation will continue. I urge Conservative Members of Parliament to show the same level of support for Warwickshire's case as the local Conservatives in Warwickshire.

5.31 pm

Mr. Tom King (Bridgwater): It is a great pleasure to follow the hon. Member for Rugby and Kenilworth (Mr. King), who delivered his maiden speech. Coincidences often occur in this place, and the hon. Gentleman may be aware that I spent five years of my life—at a rather junior age—in Rugby. I therefore, know the Hospital of St. Cross.

The hon. Gentleman showed a fine disregard of the rules in failing to mention one of Rugby's greatest achievements, which has become a substantial export earner for this country. I watched the poor English rugger team being mauled in Australia, but they earned £2 million in the process, so one can see what a powerful industry was founded by a humble school and a sound disregard for the rules.

I am sure that hon. Members enjoyed the hon. Gentleman's remarks and the sincerity with which he delivered them. We look forward to hearing from him again. He struck one very good bipartisan note. Too often in the House in recent years, we have heard allegations about the total collapse of manufacturing industry in this country. Such attacks do no credit to the fine manufacturing businesses in this country. The hon. Gentleman was right to pay tribute to two fine businesses which stand comparison with any in the world: GEC Alsthom and Peugeot. The House appreciated his references, as will the companies. One never knows one's luck in this place: perhaps the brief entrance and departure of my right hon. Friend the Member for Kensington and Chelsea (Mr. Clark) may secure the hon. Gentleman an entry in a future diary, as other hon. Members have enjoyed—or not enjoyed—in the past.

As a Somerset Member of Parliament, I am disappointed that, because of the breakneck speed of the timetable imposed on the passage of the Finance Bill, my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory)—who wished very much to participate in the debate—is not able to take part as he is helping to lead for the Opposition in Committee. I am sure that the Government will understand that this is a very sad day for Somerset, which faces the prospect of having to rebill every council tax payer in the county. This county, which faces a serious financial challenge and has no balances, now faces a bill estimated at £250,000—totally nugatory expenditure—to rebill the whole county.

I take no comfort or pleasure in telling the House that I gave the clearest possible warning to the Liberal Democrat administration on Somerset county council that it was virtually certain to face this outcome. Unless one was prepared to ignore totally the Labour party's assertions in opposition and in government and imagine that, within a month of coming to government, it would overturn its most elementary manifesto pledges and loosen the purse strings on public expenditure, one did not need to have much political experience to recognise the risks that were being taken by the Somerset county council Liberal Democrat administration. It took the decision knowingly: it was warned by the chief executive officer, the county treasurer and the county solicitor of the risks involved. Two former county councillors, now the hon. Members for Somerton and Frome (Mr. Heath) and for Taunton (Mrs. Ballard), took the risk and voted for the proposal.

Somerset county taxpayers now face added expense, on top of the money that the previous Liberal Democrat administration wasted on expensive lawyers when trying to ban access to council land. It also wasted money on an abortive scheme to provide sites for new age travellers. The county could have employed 10 new teachers with that wasted money.

Mr. Robert Jackson *rose—*

Mr. King: I am sorry, but I must speak directly. So far as I know, my remarks do not relate to Oxfordshire.

I take no pleasure in making these points. We do better for our county if we work together and listen to, and take, advice. I do not claim false credentials in this matter. Two years ago, we fought successfully to raise the cap for Somerset. I see that the right hon. Member for Yeovil (Mr. Ashdown) is in the Chamber: at the time, he kindly congratulated me on my actions. I shall always be prepared to stand up for my county when the cause is just, when a case can be made based on the evidence, and when there is some prospect of achieving a successful outcome.

Hon. Members who read the excellent brief prepared by the Library will see that, when Somerset exceeded the cap, we stood together, fought the case and won it. Those who look at the present case will see that there is no prospect of our taking it to a favourable conclusion.

Mr. Jackson: One of the Government's central arguments is that they are simply continuing the policies of the previous Administration. However, as my right hon. Friend points out, the previous Administration agreed to increasing the budget over cap in Somerset a couple of years ago.

Mr. King: I find it offensive that, if the risks had not been taken, the county council could have accepted a perfectly sensible proposal for maintaining the cap and expenditure within it. Funding for education and social services could then have been protected properly. However, that amendment was rejected out of hand. We are back where we started—but £250,000 worse off. The county must now make economies, which could have been achieved through sensible planning much earlier in the cycle, in a rush, well into the financial year. Hon. Members representing Somerset constituencies will have

received the letter from the county treasurer today saying that the council will have to search around to find the savings that must be made. Clearly, there will be hardship.

Mr. Paddy Ashdown (Yeovil): I apologise to the right hon. Gentleman and to the House for intervening when I shall not be able to stay for much more of the debate. I regret that very much.

The right hon. Gentleman is right to say that we have fought together on a cross-party basis. For that reason I deprecate the fact that he is now making the cheapest party political point. He criticises the argument about breaching the cap, but when the argument was put before the county council, did the Conservative members vote against it? No, they did not. They abstained. The right hon. Gentleman will go into the Lobby tonight to vote against the break of a cap, which he did not oppose originally. That is a totally irrational and illogical position. Does he not understand that?

Mr. King: The right hon. Gentleman knows perfectly well that the amendment put forward by the Conservative group, which would have enabled the waste of £250,000 to be avoided—*[Interruption.]* Will hon. Members who are not even Somerset Members contain themselves so that I may reply to the right hon. Gentleman? The amendment proposed by the Conservative group was voted down, calling the entire budget into question. Of course the Conservative group could not vote against the main question or there would have been no budget.

The leader of the Conservative group said that the difficulty was that some wretched Liberal Democrat would say that because the Conservatives had not opposed the measure, therefore they had supported it. I never dreamt that the leader of the Liberal Democrats would fall right into that trap.

Mr. Ashdown *rose—*

Mr. King: I know that the right hon. Gentleman has to leave, but I hope that he will not mind waiting a moment.

I quote from the right hon. Gentleman's speech in reply to the Budget. He said:

"Under a Labour Government, my county of Somerset will have to sack 90 teachers this year."—[*Official Report*, 2 July 1997; Vol. 297, c. 328.]

I give the right hon. Gentleman credit—he has said that before. The leader of the Liberal Democrats and the hon. Member for Somerton and Frome have said the same thing.

That is outrageous. The letter from the county treasurer today states that the council will look around for alternative savings. I understand that it is not considered necessary to sack 90 teachers this year. Alternative economies can be made. I challenge the right hon. Gentleman to make sure that he stops his colleagues in the Liberal Democrat party sacking teachers in Somerset this year. That must not happen. It would be intolerable if it happened because of the incompetence and risk taking of a Liberal Democrat administration.

The case is not helped if it is accompanied by misleading propaganda. We constantly hear the statement that Somerset had the lowest increase of any authority in the country this year.

Mr. David Heath: No—county. *[Interruption.]*

Mr. Deputy Speaker: Order. There must be no interruptions when an hon. Member is addressing the House.

Mr. King: Hon. Members say that Somerset had the lowest increase of any county. That is, to say the least, economical with the truth. They do not go on to say that 16 other counties had the same level of increase. What they say is technically true, but grossly misleading.

I hear it endlessly repeated by the leader of the Liberal Democrats that Somerset is the most efficient county in the country. I am proud of Somerset and I have been proud to represent it. Some of the things that the county does, it does well, but such assertions do not help the county. The Department of the Environment can easily establish the facts. I spent three and a half years on the Government Front Bench as Minister for Local Government, the job that the hon. Member for North–West Durham (Ms Armstrong) is doing now. It does no good for a county's case when people pretend too much or do not tell the whole truth.

Mr. Ashdown: The right hon. Gentleman knows perfectly well that I said that Somerset was, by the Government's own figures—his Government—the most efficient in the delivery of education. It has the lowest administration costs per pupil. Those are not my figures. They are not even the Audit Commission's figures, but those of his own Government, when they were in power.

I am a little confused by the right hon. Gentleman. He seems to be criticising Somerset county council for seeking to breach the cap, yet we understand that tonight he will go into the Lobby in favour of breaching the cap. Can he explain this inconsistency?

Mr. King: I will deal with all those issues in my speech, but I am worried about the right hon. Gentleman. Will he tell me when he has to go? *[Interruption.]* He has come into the Chamber, intervened twice and threatened to leave at any moment. He has asked me a fair question, but I hope that in fairness he will allow me to reply in the right order.

Some may consider these matters to be cause for amusement, but I agree with the hon. Member for Brent, East (Mr. Livingstone). I weep for Somerset and the money that has been wasted. The county faces grave problems. I am to lead a delegation to the Minister next week to complain about the unfairness of the allocation system, and to seek to get the area cost adjustment altered. Those are serious matters. We cannot afford the waste and extravagance that we face.

I shall now say something that the right hon. Member for Yeovil may find more agreeable. I shall deal with the Government's performance. We listened to the Prime Minister being singularly economical with the truth in his exchanges with the right hon. Gentleman. The right hon. Member for Yeovil has been right. The Prime Minister keeps boasting about the extra money that he has

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provided for education, but the right hon. Gentleman is seeking to establish that it will not be available this year. The Prime Minister keeps trying to pretend that he is providing more money for education this year.

I am struck by the change that has overcome Labour Members. My hon. Friend the Member for South Suffolk (Mr. Yeo) referred to the Order Paper wavers during the Budget. Many new Members have not learnt that when a Chancellor delivers a Budget speech, they must wait for the end of the sentence or the end of the next sentence. The way in which the Chancellor manipulated his party and concealed the reality of the Budget had Labour Members cheering his announcement of £1.3 billion for new school building. The Order Papers were waving, and half the Labour Members never heard him say that that would be over the next five years. They did not realise that it was not such a substantial injection of cash as it sounded.

The Prime Minister has been seeking to establish, and the Chancellor has been seeking to persuade his party, that happy days are here again and that the Budget was generous. Yesterday, however, the Prime Minister changed to an earnest assertion that things are terribly tough and that the House must understand that. There is not much Order Paper waving any more.

Dr. Lynne Jones (Birmingham, Selly Oak): I am a little confused by the logic of the right hon. Gentleman's argument. Did he or did he not support the provisions made by the previous Government to allow councils to apply for a redetermination of their spending limit? If he did, why is he condemning Somerset council for going through that process, when he accepts that it is operating under considerable spending constraints?

Mr. King: The hon. Lady will understand that I have some background in and knowledge of these matters. I was Minister for Local Government for three and a half years. I have some interest in and understanding of the way in which assessments are made. I made an assessment myself—my own judgment—which proved to be correct, that two years ago we could produce a case that was convincing and could justify and achieve the lifting of the cap. This year, my judgment was that there was no realistic prospect of repeating the exercise and that such a gamble simply could not be taken with Somerset county council taxpayers' money.

The hon. Member for Birmingham, Selly Oak (Dr. Jones) may be impressed by that judgment or think that it was luck, but it seems to have reflected accurately the outcome—the effect of which is that we shall have to rebill the county, and a quarter of a million pounds has been wasted. The county councillors who voted to exceed the cap said, "We thought that we'd have a go." I regarded that as profoundly unwise and I told them so. They were warned of the risks that they were running also by the council's chief officers.

Dr. Jones: Will the right hon. Gentleman give way?

Mr. King: No, I am sorry.

The county council is entitled to expect assistance from the Government because of the extra costs imposed by the Budget that were not provided for in the original local government settlement.

I should like to reinforce the comments on pension funds made by my hon. Friend the Member for South Suffolk. The Minister for Local Government and Housing is right to say that the issue will not arise for two or possibly three years. As we know, however, the impact has already begun to be felt. Comments such as, "Hopefully we can ignore the matter and hope that something turns up when we have to deal with it," are the route to bankruptcy. The Minister rightly said also that the Actuary will not examine the effects until next year. The county treasurer stated:

"the Actuary assesses the impact . . . in 1998 to take effect from April 1999".

I think that the Minister realises that the Government's advice had better change, because it is insufficient. It is manifestly inadequate to pretend that the effects are not being felt—because they are, and provision should be made now to deal with them. Authorities are entitled to hear how the Government will deal with the matter. Ministers seem to be telling authorities, "You will incur the costs and lose the benefits now, and in two years' time we shall talk about what we might do to help you." How can a responsible authority budget in such circumstances?

Changes to pensions are not the only matter with which authorities will have to contend. Most hon. Members do not appreciate that the fuel duty increase, for example, will have a tremendous effect. The Chancellor has shown great skill in managing to introduce tough measures that half the population does not understand. In one year, his fuel duty increase will raise £1.25 billion. Somerset is a rural county and, therefore, has a substantial bill for school transport—which I think that the hon. Member for Somerton and Frome will be able to confirm is £4.8 million. The county will now face an unpredicted 10 per cent. increase in fuel costs.

Moreover, the Budget statement states that 0.8 per cent. increase in inflation will be directly attributable to the Budget, further adding to the Somerset's costs. Since the general election, the county has also had to face three interest rate rises, each of which costs it £270,000. Therefore, to date, the county faces a per annum increase of £810,000 in interest rate costs. Although each of those items might be manageable in circumstances in which Somerset was not against the wire, we now face a situation in which one cost is being piled on to another.

It was abundantly clear that Ministers would not agree to lifting the cap. In the first months and year of a Labour Government, they wanted to build confidence—with statements from the iron Chancellor on the strict control of public expenditure—in their ability to manage the economy. Nevertheless, the public received no warning about removing the advance corporation tax credit, which will increase pension fund costs for Somerset by £2 million. We were told that there would be a quick little Budget to implement the windfall tax, but what did we get? We got a major, completely unpredicted revenue-raising Budget.

Mr. Soames: Will my right hon. Friend give way?

Mrs. Louise Ellman (Liverpool, Riverside) *rose—*

Mr. King: I am sorry, but I want to make this point.

I have made my position on capping clear, and I have given advice to the county based on that position. I now find, however, that the Government have imposed costs

that were not mentioned in their manifesto. They gave no indication that they would impose those costs or accelerate duty increases, which usually occur in November, by five months. Somerset faces those additional costs.

Opposition Front Benchers have repeatedly challenged Ministers to contribute to compensation for local authorities so that they can meet the unexpected cost increases caused by the Government's revenue-raising activities. Ministers have not even been willing to respond to those requests, and I think that that is outrageous. Therefore, for precisely those reasons—in answer to the right hon. Member for Yeovil—I will certainly vote against the order.

Mr. Soames: Does my right hon. Friend agree that not only is it a matter of the Somerset ratepayers' position being jeopardised—because of irresponsible and reckless Liberal Democrat gamblers—but the Budget represented an overall assault on Britain's rural constituencies? The Chancellor's reckless smash-and-grab raid on pensions and increase in fuel duty will bear very heavily on rural constituencies. Will my right hon. Friend draw into his remarks not only those irresponsible people in Somerset but rural councils across the land?

Mr. Deputy Speaker: Order. I should hope that the right hon. Gentleman will not discuss councils across the land, because the order deals with only a few councils.

Mr. King: Any rural county council, whether in Somerset or West Sussex, must be concerned by the matter raised by my hon. Friend the Member for Mid-Sussex (Mr. Soames).

Sir Robert Smith: Will the right hon. Gentleman give way?

Mr. King: No, I am sorry.

I will fight for Somerset's interests if I think that a case can fairly be made and won. Sometimes one is disappointed and sometimes one would like to have more money. The challenge will be to achieve proper changes in the area cost adjustment—an issue on which I think that Opposition Members will be able to stand as one.

Yesterday the House held a debate on rural affairs which was attended by four Labour Members—just 1 per cent. of their number. The message I drew from that poor attendance is that grant distributions are about the appeal for resources and the relative requirements of urban and rural areas, of metropolitan districts and the shires and especially of London and the rest. When I was Minister for Local Government, I was told that the only real difference that might be made by the holder of that office was measured in terms of how much he or she did for London. Resources for the other authorities were crucially affected by the determination for London.

I warn other hon. Members from rural counties that we face a battle over the area cost adjustment because the voice of the rural counties is very much smaller in the House than it was. To get a fair share we shall have to fight against the voting mass of Labour Members representing urban interests. This is not a happy occasion for Somerset. I have had some pretty tough things to say and I regret that we have not been able to stand together, save money for Somerset and work constructively for a better outcome for the county.

5.59 pm

Mr. James Plaskitt (Warwick and Leamington): I shall be happy to confine my remarks to the order.

I congratulate the Minister for Local Government and Housing on her decision with regard to Warwickshire. That decision is welcome news for my constituents and will be welcomed throughout the whole county. I thank her for receiving our cross-party delegation, and I thank her and her officials for listening carefully to our arguments.

Warwickshire's case arose from the consequences of school reorganisation, as my hon. Friend the Member for Rugby and Kenilworth (Mr. King) outlined in his excellent maiden speech. The council took a bold initiative and certainly demonstrated leadership in embarking on a school reorganisation that involved the closure of 24 schools and the removal of 10,000 surplus places. It was an extremely effective operation and showed other local education authorities, which may in due course have to face the same problem, how it could be dealt with. Not to have conceded Warwickshire's case would have sent a very unfortunate message, not only to the schools in my county but to all local education authorities which will need to deal with surplus places in due course.

There should not be a financial penalty for carrying through an efficient and effective reorganisation of schools, yet the way the capping rules are drawn means that such a penalty does or could exist. Because Warwickshire's spending is slightly above its standard spending assessment, the capital financing charge arising from the reorganisation was not automatically reflected in the cap. Listening to Warwickshire's entreaties, my hon. Friend the Minister saw the absurdity in that aspect of the capping regime and, accordingly, allowed Warwickshire's budget. That decision means that people in my constituency and throughout the county will see the benefit of the Government's commitment to education, but the story is very different in Oxfordshire.

I very much regret that my hon. Friend the Minister decided in the end to impose the cap on Oxfordshire. I served on that authority for 12 years and was one of its leaders for six years. I can assure my hon. Friend the Member for Brent, East (Mr. Livingstone) that he should not be fooled by the suit because I was certainly no Derek Hatton. The six years that I spent leading that authority were characterised by the fact that we had to set budgets that inflicted savage cuts in the whole range of services provided by the county council, all as a result of the capping regime.

In recent years, I was part of several delegations to the Department of the Environment and argued Oxfordshire's case with the previous Government. They were cross-party delegations; indeed, the hon. Member for Wantage (Mr. Jackson) accompanied me a number of times. We were grateful for his support.

The current set-up imposes a cap when increases are deemed to be "excessive", as it says in the regulations. It is absolutely impossible to argue that any part of Oxfordshire's budget can be characterised as excessive. In per capita terms, Oxfordshire is the lowest-spending

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county council in the country. Its cap is set at 1.3 per cent. above SSA, whereas the average is 2.4 per cent. At the capped level, the increase in Oxfordshire's council tax will be just 2.4 per cent., the lowest of any county council in the current round.

The council has gone a long way to try to meet the provisional cap. This year, it has already imposed cuts totalling £10 million on a wide range of services. They are very harmful cuts, but they still leave the authority with a budget provision £6 million above the provisional cap. That is on top of cuts of more than £60 million over the past six years.

The order will impose a further £6 million-worth of cuts which will hit all services. Where does that leave the education service in Oxfordshire? Thirty-two per cent. of primary children are already in classes of more than 30, which is twice as many as two years ago; 280 teaching posts have been cut in the past four years, and more are now under threat.

Dr. Lynne Jones: Does my hon. Friend agree that the order is hardly in line with our manifesto which contained a pledge to reduce class sizes to under 30?

Mr. Plaskitt: I am grateful for that intervention; I was about to make precisely that point.

Mr. Robert Jackson: It was always a pleasure to work with the hon. Gentleman in trying to get some sense out of the previous Government. Indeed, we succeeded in doing so last year. The hon. Gentleman is making a helpful speech on behalf of Oxfordshire, but I hope that he will answer the Minister's criticism of the way the county spent the £3.5 million that was agreed by the Conservative Government last year. He was the leader of the council and made decisions about the spending of that money. The Minister was critical of how it was spent, so I hope that the hon. Gentleman will take this opportunity to answer her accusations.

Mr. Plaskitt: The help, as the hon. Gentleman regards it, came in the form of credit approvals and was very much a temporary respite.

The measures that the Government have introduced are beginning to channel extra money into Oxfordshire for education. They are, of course, extremely welcome, but they are only a trickle when compared to the gaping hole in the bottom of the bucket which is caused solely by the impact of capping. It might be said that councillors in Oxfordshire could protect schools by making cuts elsewhere, but any cuts to fill the gap would have to be very savage and would affect the most vulnerable people. Therefore, if the order is passed, schools will be hit again. It is impossible to justify that when the alternative would have been to allow the public in Oxfordshire to choose to have an average council tax increase in order to maintain decent funding levels for their services. It is an indefensible situation, and, as my hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones) pointed out, it is a real brake on our ability to advance the cause of education in that particular county.

The whole problem stems from the capping regime itself. It is, and in my view always was, incompatible with local democracy, and it must be abolished. I welcome the Government's commitment to move towards its eventual abolition. Those of us who have over the years campaigned vigorously against capping are not asking for a local government spending free-for-all. That is not the alternative to the abolition of crude capping. I am convinced that local authorities across the country are fully willing to play their part in the control of public spending, but the issue must be dealt with by mechanisms that are compatible with decentralising power and reinvigorating local democracy.

When my hon. Friend the Under-Secretary winds up, I hope that he will be able to give me and local authorities up and down the country reasons to hope that work is in hand, that consultations are under way and that we can anticipate as speedy a demise as possible of this discredited and damaging mechanism.

6.9 pm

Mrs. Jackie Ballard (Taunton): I welcome the Government's decision to sign the European charter for local self-governance. I also welcome the announcement that they are committed to ending the capping of local authority budgets, although we do not yet have a timetable. I, too, welcome the decision to accept Warwickshire county council's appeal.

I am pleased to support the statement made by the right hon. Member for Holborn and St. Pancras (Mr. Dobson) in the House just five months ago that

"The incoming Labour Government will be based on the supposition that democracy depends on the people who take the decisions carrying the can and the people who carry the can taking the decisions."—[*Official Report*, 3 February 1997; Vol. 289, c. 701.]

I am a generous person, but I am afraid that that is all that I can welcome today. Today is a sad day for local democracy and must be the day when the honeymoon wears off and the local government bride and central Government groom start arguing about more serious matters than which end of the toothpaste tube to squeeze.

The Minister spoke earlier about increased partnership between local and central Government. It is a strange partnership when one partner tells the other how much they can spend. It is a recipe for marital disharmony if ever there was one. No wonder that even the Labour-controlled Local Government Association has started to criticise the Government.

Squeezing the toothpaste tube is a suitable analogy because, over the past few years of Tory government, local authority budgets and services have been squeezed from every possible direction. They have been squeezed so much that there is no waste left and no overblown bureaucracies to cut. There are scarcely any non-statutory services such as the youth service or discretionary grants left to cut. Even if the Government jump up and down on the toothpaste tube, nothing more will come out. Yet the Red Book figures show increasing misery over the next two years for local government—misery that this Government seem determined to continue.

As many hon. Members have said, today's debate is not about local authority funding in general. It is about the Government's proposal to override the will of local electors and impose a cap on the spending of two authorities. It will be a huge disappointment to many, not only in Somerset and Oxfordshire.

Why are the Government imposing caps on spending? Does the Labour party think that central Government know best on local services? Are the Government philosophically in favour of central Government taking away the powers of local councils? I have searched for the answers to those questions and have found that, during the same debate last year, the Minister for Local Government and Housing said:

"The Government are so obsessed with ideological dogma that they are breaking their commitments on spending and on capping. They have demonstrated that, far from being in control of local government finance, they have lost sight of reason. The Government are acting against the wishes of the people of Oxfordshire and Cambridgeshire. The people want the opportunity to fund their schools and social services properly".—[*Official Report*, 22 May 1996; Vol. 278, c. 358-59.]

One year later, the names of the Ministers have changed and the name of one of the councils on the capping order has changed, but nothing else has changed—not the ideology, not the dogma and not the determination to ride roughshod over the wishes of local people.

Education, education, education—as my right hon. Friend the Member for Yeovil (Mr. Ashdown) said in the Chamber yesterday. Forcing two councils to sack 140 teachers is not the way to show a commitment to education. However, education is not the only issue, important though it is. Social services are also important, providing vital care for the elderly and children. Those services will suffer in Somerset and Oxfordshire if the cap is confirmed this evening.

The main Conservative excuse for capping was that it protected the public from outrageous increases in local taxes. Somerset and Oxfordshire had local elections on 1 May and similar administrations to those that had been in place before were returned—a balanced council in Oxfordshire and a majority Liberal Democrat administration in Somerset. The public clearly did not want protecting from this year's council tax increases. Today's decision will save the average council tax payer in Oxfordshire £28 a year, and in Somerset £20 a year. The people of both those counties showed clearly that they had the will to spend that small amount extra to protect the services that they value.

My hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) has spoken before about the Oxfordshire settlement. I hope that he will be able to speak about it again tonight. He pointed out that the decision to set a budget above the cap level in Oxfordshire had all-party support. In Somerset, the decision had the support of Liberal Democrat and Labour councillors. As we heard earlier, the Conservative councillors abstained.

The decision is not about protecting council tax payers or listening to the will of the electorate. Perhaps the Government think that the two councils have transgressed by appealing against their cap limits. From the speech of the right hon. Member for Bridgwater (Mr. King), we might believe that they had, but the rules for capping are in place and there is a procedure for appealing. As part of that procedure, even Conservative Ministers would listen to the cases put forward by the few councils that appealed in any year.

Mr. Brian White (Milton Keynes, North–East): Does the hon. Lady accept that those of us who set budgets in this year's local authority round knew the consequences of going above the cap? Most of us took that into account when setting the budgets.

Mrs. Ballard: All councils knew when they set their budgets that there was an appeal mechanism and that, if they had a strong enough case, they could put their appeal to the Minister and hope that it would be listened to objectively.

This year, only three councils appealed, because they believed that they had a case that the Minister would listen to. Together with my right hon. Friend, sorry, my hon. Friend the Member for Somerton and Frome (Mr. Heath)—he will be right hon. one day—I was one of the councillors who voted to set a budget above the cap limit. That was not an indulgent or wayward political gesture. It was done in the full knowledge that, if an eventual appeal failed, the cost of sending out new council tax bills would add to the cuts needed to reduce the budget to the cap level. It was also done in the full knowledge that local elections would take place within a few weeks of the bills being sent out. I know that some Labour Members voted in the Oxfordshire decision.

Legally and technically, councils are allowed to appeal. The right hon. Member for Bridgwater said that he knew that Somerset's case would fail. How could he know? The Minister had to listen to each case and judge them on their merits. She could not fetter her judgment in advance—that would not be allowed.

Mr. Robert Jackson: I agree with the hon. Lady. The fact that they are merely implementing the previous Government's policies makes nonsense of the Government's case. There is an appeal mechanism. The appeal has been made and has not been heard.

Mrs. Ballard: I find it hard to believe that the Secretary of State thinks that his predecessor was so infallible that he could not have been wrong on Oxfordshire or Somerset. My hon. Friends the Members for Oxford, West and Abingdon and for Somerton and Frome have spoken in detail in Adjournment debates about the cases of the two counties. Neither council is spendthrift or inefficient. Somerset's budget is 1.2 per cent. above its cap limit and the cap was set at 2 per cent. Oxfordshire's budget is 1.7 per cent. above the cap. As we have heard, it is the lowest-spending county in the country.

Somerset county council has an unrivalled record of efficiency and prudence. No aspects of its spending are over the top, except, of course, that it spends £12 million more than its education SSA. Is that spent on costly county hall bureaucracy? Is that where the cuts can be found? No. Somerset has the lowest administrative costs of any authority in the country—£9.29 per child. Some authorities spend more than £120 per child. Somerset devolves the highest proportion of spending to schools. The Minister said that she took account of Warwickshire's actions to remove surplus places yet, although Somerset already has the lowest proportion of surplus places in primary schools, it is to be punished today.

As the Minister admitted in the Adjournment debate on 12 June, Somerset's education SSA is low compared to that of other counties; it is 33rd out of 35 counties. The Minister then said that Somerset was lucky because

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its highways maintenance SSA was in the top 20. She knows, however, that more than 60 per cent. of a county council's total budget is spent on education so, if its education SSA is low, the shortfall cannot be made up from other services. Indeed, any road user in Somerset will tell the Minister about the parlous state of our roads. Perhaps she would like to see them for herself and at the same time visit some of our schools to explain to them why this Government, in common with the previous Government, feel that our children are worth so much less than children in Westminster or Buckinghamshire.

Somerset's social services are equally prudent. It was one of the first counties to externalise its residential care service and it was the first to have externalised domiciliary care. Many Liberal Democrat councillors—I was one of them—were unhappy about being forced down those routes and were also unhappy about the recent decision to externalise the highways service, but those decisions have saved council tax payers money and have protected local jobs.

There is no spare money in Somerset, there are no reserves to dip into and there are no uncommitted rainy-day funds. Confirming the cap will mean larger class sizes in schools, fewer social workers and less care for the elderly. Clearly, this evening's vote is not about protecting services and it is not about protecting local taxpayers from council tax increases. I believe that it is about firing a warning shot at Labour-controlled councils for next year. The Government trust them so little that they are prepared to see teachers sacked and elderly people go without care in order to flex their muscles and to show local government that they will not be a soft touch in future. Far from being a soft touch, they will be as much a bully as the Conservative Government were.

Mrs. Ellman: Does the hon. Lady not recognise that this Government, in the relatively few weeks in which they have been in power, have already made more funding available for schools and for essential house building? They have already made plans to start to get our young people and the long-term unemployed back to work. After 18 years of decay under a Conservative Government, watched over by Liberal Democrats who, in their own patches, have done very little better than the Conservatives, praise should be given to this Labour Government for making a new start on the long road to recovery.

Mrs. Ballard: The Government have done nothing this year for local services and they have given crumbs for next year. We have already heard about the hole in the finances which has been unearthed by the Liberal Democrats, and the Conservatives have now jumped on the bandwagon. Local government will be very little better under this Government than it was under the Tory Government. This year, it will be no better off. Tonight, the hon. Member for Liverpool, Riverside (Mrs. Ellman) has the chance, if she really believes in protecting local services, to vote against the capping order.

This decision will dismay and anger many people across the country who expected better from a Government who were so eager to sign the charter for local self-governance and who have such a large local government base. So many Labour Members have local government experience.

Mr. Livingstone: Will the hon. Lady give way?

Mrs. Ballard: I will give way to one such Member.

Mr. Livingstone: There may be some confusion after the intervention by my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman). Does the hon. Lady agree that this order is not prompted by anyone asking for extra Government money? The authorities concerned are saying, "Please allow us to spend the money we have already collected on services that are vital." The order cannot be part of Government policy unless people think that, by cracking down on the two councils concerned, they will give a warning to councils throughout the country to restrain their spending in the coming year. Labour Members who are offering comfort to this Government policy may be stabbing their own constituents in the back later on.

Mrs. Ballard: I could not have put it better than the hon. Gentleman. People knew that the Conservatives had given up on local government, but they expected better from Labour. Capping is wrong in principle. That is a view that my party has always held and I thought that the Labour party held it too.

After tonight, the young, the old, the weak and the disabled will bear the brunt of the Government's macho muscle flexing. The Liberal Democrats will vote against the order. The hon. Member for Brent, East (Mr. Livingstone) and other Labour Members will be most welcome to follow their conscience and to vote with us. They should ignore the fact that Conservative Members are doing a strange about turn. They, too, are welcome in the Lobby. There can be no doubt that the people taking this decision are the members of this Government. They must carry the can for the damage to services in Somerset and Oxfordshire as a result.

6.24 pm

Mr. David Crausby (Bolton, North–East): I thank you, Mr. Deputy Speaker, for allowing me the opportunity to make my maiden speech in such an important debate. I served and, indeed, suffered, for 13 years as a local councillor under the previous Government, with all that capping meant, so I am pleased now to be able to say that I am the first Labour Member of Parliament for Bolton, North-East. I have been joined, I am delighted to say, by my hon. Friends the Members for Bolton, South–East (Dr. Iddon) and for Bolton, West (Ms Kelly) to make Bolton truly a Labour town.

Some 85 per cent. of my constituency was previously represented by Peter Thurnham and the other 15 per cent. by Tom Sackville, so I am responsible in part for the replacement of two Conservative Members of Parliament. I understand that both were diligent and hard-working Members. Peter Thurnham was a man of independent mind and felt that he had been poorly treated by the Conservatives. In the end, he decided to join the Liberal Democrats so I like to think that I am responsible for replacing a Liberal Democrat as well. I have some sympathy for Peter Thurnham's view that he was badly

treated by his party because after all, most of the country felt the same way about how they were dealt with by the Conservatives, which is why the previous Government were swept from power.

Peter Thurnham and Tom Sackville were preceded by two excellent Labour Members, David Young and my right hon. Friend the Member for Dewsbury (Mrs. Taylor), as she now is. They represented Bolton well when it was the barometer town which decided general elections, before the boundary commission changed everything.

Bolton, North-East is an ideal mix of town and countryside. There are also some stark economic contrasts in the constituency which so much mirror the divisions that most of us have experienced nationwide over the past 18 years. Bolton was the heartland of the industrial revolution and has suffered more than most, as a result, from the decline of Britain's industrial base. Samuel Crompton was born in Bolton. He cleverly built on the skills and knowledge of local people to make it all happen in Bolton. It could all happen again because we still have a fine tradition of highly skilled tradespeople. Unhappily, too few of them survived the absurd economic experiment of the early 1980s which was perpetrated by the more extreme elements of the previous regime. We witnessed a real crime when we saw the destruction of more of Bolton's industry than had been caused by two world wars. The great challenge that the Government face will be to repair the damage that was done in the 1980s.

We shall be able to repair that damage only if we use the energy and expertise of local people and local politicians. Central Government spent too many years treating local politicians and local government as if they were the enemy. Bolton was represented throughout those difficult years by a Labour council, which delivered, as it continues to deliver, efficient services against the odds.

There is a desperate need to avert the annual round of cuts in services. We clearly need a radical review of funding and, more importantly, a new relationship with our local politicians who do such good and important work. They will be the rock on which we will build a better society and they must be allowed to govern locally.

I was lucky to serve my apprenticeship in the engineering industry in the 1960s. I want today's young people to be offered the same employment opportunities that I had—not just because young people deserve the chance to earn a decent living in order to bring up their families, but because the country needs skilled young people to provide the wealth that our great nation is so capable of achieving.

I am proud to be an engineer and a committed and active trade unionist, having been brought up in that family tradition. I was elected to represent the largest factory in my constituency, where I have been the works convenor for the past 18 years. I spent much of my time trying to persuade that private employer to improve the company pension scheme, despite the fact that there had been many years of contribution holiday. I am not surprised that my right hon. Friend the Chancellor took action on pensions. In my view, there is a great deal of scope to do more. I intend to represent my constituents with the same tenacity that was required in my previous job.

Bolton, North-East and its people have a fine industrial history, and with the right industrial policies intelligently applied together with the active support of local government, we shall have an even better industrial future. Not only do we have good prospects and three Labour Members representing Bolton; we have a newly promoted premiership football team, Bolton Wanderers. Thanks to the assistance of the local council, the Wanderers now have a brand new football stadium.

For Bolton, 1997 was truly a great year. All we need now is university status for the Bolton institute of higher Education and our year will be complete. We have much to look forward to in our town because our people are the real strength of our community and I am deeply honoured to represent their cause in Parliament.

6.32 pm

Mr. Tony Baldry (Banbury): I congratulate the hon. Member for Bolton, North–East (Mr. Crausby) on a first-class maiden speech. I am sure that we shall hear him again on many future occasions and he spoke clearly and eloquently. Obviously, Conservative Members were sorry to see Tom Sackville go. Many of us were close friends with Peter Thurnham and were sorry to see him go, but, as far as we were concerned, he went rather earlier than the general election.

I have many happy memories of visiting Bolton when I was a Minister in the Department of the Environment. I was most impressed by Bolton council and I was pleased to be the Minister who gave planning permission for Bolton Wanderers to build its present stadium. The other day, when I was in Bolton, I was delighted to see what a wonderful edifice it turned out to be. I hope that the hon. Gentleman will consider inviting a few Opposition Members to watch some of its matches.

I hope that the hon. Gentleman will also invite the Minister for London and Construction to see the work that Atkins is doing in Bolton, building the wonderful millennium structure that will be in the hon. Gentleman's constituency very soon. However, I shall be in trouble if I talk about Bolton for too long. As I am the first hon. Member to talk about Oxfordshire, let me refer in some detail to the order.

I have some sympathy with the Minister for Local Government and Housing. I fully appreciate that as local government takes up a quarter of all public spending, one has to be reasonable in these matters. Clearly, the hon. Lady has a broader duty to governance, and those of us who have had to deal with these matters have some understanding of that.

One has to look at the past to understand why Oxfordshire has got itself into its present financial pickle. Until the mid-1980s, Oxfordshire had a Conservative administration. From 1982–83 to 1985–86, the average growth in the county council's budget was 3.4 per cent., while the average growth in inflation was nearly 5 per cent. Oxfordshire then became a hung council and in the next four years, under a Labour-Liberal Democrat coalition, it went on a spending bonanza. The average growth in the council budget was nearly 12 per cent. when the increase in inflation was about 6 per cent. That spending bonanza continued until 1992-93, when Oxfordshire county council's budget increased by nearly 7 per cent. and inflation increased by only 2 per cent. There was a considerable increase in spending until the early 1990s.

Eventually, that level of expenditure became unsustainable and the county started to run into its present difficulties. In order to maintain its spending, Oxfordshire

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spent all its reserves and began to get into difficulties with the capping regime, with all the financial gearing that that involves. Oxfordshire is in the rather unique position of being the only local authority that has sought to break the cap last year and this year. As we have heard, the then Secretary of State listened to the representations that Oxfordshire county council made last year and enabled it to find a way through.

This year, Oxfordshire again set a budget above cap. Between November 1996 and 1 May, my hon. Friend the Member for Wantage (Mr. Jackson) and other hon. Members representing Oxfordshire constituencies, including myself, and Oxfordshire county council had numerous discussions with the then Minister of State for local government, my right hon. Friend the Member for Skipton and Ripon (Mr. Curry).

We put our case on the basis that Oxfordshire had got itself into a pickle and somehow had to get out of it. The position was made worse because Oxfordshire had no reserves to fall back on and no means of finding resources elsewhere. It is fair to say that my right hon. Friend the Member for Skipton and Ripon, in so far as he was able—one recognises that Ministers are always bound by the danger of being taken to judicial review if they are too incautious in what they say—suggested that if a Conservative Government had been elected on 1 May, they would have been sympathetic to Oxfordshire setting a budget above cap.

The Minister for Local Government and Housing may smile, but we also need to know what the Labour party said to Labour councillors before the general election. This year's budget in Oxfordshire was rather curious in that it was set by a combination of Labour and Conservative county councillors. One can only assume that, in the run-up to the general election, Labour county councillors in Oxfordshire would take some advice from their party as to their position if Labour won the general election. One can only assume that they, too, were given some comfort; otherwise, they would not have set a budget above cap.

Indeed, the Labour group on Oxfordshire county council cannot see any way forward other than the Government allowing Oxfordshire to continue at the budget that it has set. Only yesterday, the leader of the Labour group of Oxfordshire county council wrote to hon. Members representing Oxfordshire stating that

"this council needs a clear medium-term financial plan . . . if it has any chance of steering itself away from imminent bankruptcy."

We also heard from the hon. Member for Warwick and Leamington (Mr. Plaskitt), who used to lead the Labour group on the county council until 1 May. In his view, Oxfordshire had set a responsible budget this year, having regard to all the circumstances.

Mr. Robert Jackson: Did my hon. Friend note that, when I asked the Minister to give a categorical assurance that she had not entered into undertakings with Labour councils before the election, she refused to do so and dismissed the suggestion as an idle rumour?

Mr. Baldry: That clearly needs to be addressed at some stage because there had to be—and were—discussions between the Labour group on the county council and the national Labour leadership. One would hope that the Labour party nationally would have recognised that the Labour group on the county council had been party to the budget setting.

Dr. Harris: Will the hon. Gentleman give way?

Mr. Baldry: No, I shall not because I am very conscious that time is pressing on. I suspect that the hon. Gentleman will want to speak, as do other hon. Members.

Oxfordshire county council now finds that it will have to make some very substantial cuts over the next few weeks—against the background of being the lowest-spending county in the country. The proposed cap allows Oxfordshire to spend just 1.3 per cent. above its standard spending assessment, compared with an average of 2.4 per cent. for all other county councils. At the moment, the local authority is not spending profligately.

I find the position of Ministers somewhat curious, as others have said. During the debate this time last year, the Minister, who then led for the Opposition, congratulated Oxfordshire on its spending and said:

"Oxfordshire comes 45th out of 47 counties for total expenditure per head. It spends £560 per head . . . The county average is £629 . . . The Government are acting against the wishes of the people of Oxfordshire . . . The people want the opportunity to fund their schools and their social services properly, but they know that the Government will manipulate the figures to ensure that they cannot do that. That is not good enough."—[*Official Report*, 22 May 1996; Vol. 278, c. 358-59.]

It was unclear from the hon. Lady's speech today that, last year, she and her colleagues on the Labour Benches supported Oxfordshire in its claim to be allowed to spend moderately above its cap.

The situation this year is almost exactly identical, so I am at a loss to understand—I think that people in Oxfordshire will be at a loss to understand—why the Labour party is doing a volte-face and imposing a cap on Oxfordshire, which will inevitably lead to redundancies among teachers, the closing of libraries and the deterioration of personal social services, such as home helps, meals on wheels, and so on. I could understand if the hon. Lady had displayed financial rigour last year, but, given her comments, which are clearly recorded in *Hansard*, and given the voting record of Labour Members last year, I cannot.

What has changed since last year that has caused the Labour party to do a complete turnaround on this issue? The people in Oxfordshire will want to know, especially as they recognise that a substantial part of the reason why Oxfordshire is in a financial pickle is that Labour and Liberal Democrat councillors drove up spending in the late 1980s and early 1990s without, sometimes, any great benefit from the increased spending. Now that we have got into difficulties, the Labour party is doing a runner.

I therefore very much hope that, when people in Oxfordshire start to see the deterioration of services, they will recognise that it has come about because of the Government's actions—not only capping Oxfordshire but, since the election, increasing inflation, putting up interest rates three times and lumbering the county with an extra bill of £2 million for pensions. All that will mean that providing services in Oxfordshire will be very much more difficult.

6.43 pm

Mr. John McDonnell (Hayes and Harlington): The genesis of this debate goes back 13 years to the introduction of rate capping under the Thatcher Government. It was introduced to cut public expenditure under monetarist economic theory and in an attempt, for short-term political expediency, to deliver tax cuts as a bribe before the election.

The Labour party, the Liberal Democrats and all progressives opposed the capping legislation, basically for two reasons. First, we opposed it because we concretely believed that central Government limitation of local expenditure would result in cuts in services to local communities. Secondly, we opposed it because it was the first time in this country that central Government were to take control of local government expenditure, thus weakening the concept of local democracy. We felt that that was a loss of basic civil liberty.

We have been proved right; such arguments were proved right throughout the 13-year period—even from the earliest stage. Year on year, capping has resulted in the forcing downwards of local public investment. It has meant the rundown of local services—cuts in education, environmental health and social services. It is a major contributory factor to the loss of teachers, the lack of investment in equipment, the inability to care for those most in need and the ability to maintain decent modern services on which all our communities rely.

The effects on our communities are self-evident. A generation ill taught is educationally lagging behind our European and international competitors. On estates in urban areas, Thatcher's children are coming out to play, with increased crime, drugs, violence and incivility. There has been a deterioration of basic municipal facilities which were established by previous generations of local councillors. That is why the Labour party consistently for 13 years held a clear and firm position in opposition to capping.

I was enthused by the Labour party's record and speeches of Labour party spokespeople during those 13 years, as they outlined the iniquities of capping and the commitment to abolish it once Labour was elected. Let us run through some of the forensic evidence of those commitments—just in recent years.

In 1993 in a statement to the party conference, the speaker from the national executive committee said:

"How can the Tories justify laying new responsibilities on local authorities . . . and at the same time cap their attempts to ensure proper funding for the task?"

In 1994, the shadow spokesperson for the environment said at the Labour party conference:

"Along with our plans for elected regional councils, my friends, we shall be giving back responsibility to local communities as well. We are going to take the shackles off local government. We are going to end capping and compulsory competitive tendering."

The comments go on.

In 1995, the conference carried overwhelmingly a resolution which said:

"Conference recognises the constraints on local authorities placed by the current system of local government finance."

It said that the conference

"notes and reaffirms the existing policies to remove the cap".

Also in 1995, we issued our policy statement on local government, in which we said:

"Under the Tories, the government hasn't just taken increasing control over the money which councils need to raise. It has also taken detailed control of the amount that councils can spend.

But the present capping arrangements suggest that some civil servant or minister in Whitehall knows better than local people and local councillors about the depth, degree and urgency of the needs of each and every local community and its capacity to pay for what it needs. This can't be right—in principle or in practice."

I was especially enthused by the speech of my right hon. Friend the leader of the Labour party at our conference in 1995, in which he said:

"A young country shouldn't be frightened of such change. It will strengthen Britain. The only thing that threatens the Union is a government that refuses year on year to listen to the people. We will rebuild local government and end the muddled system of rate capping."

In 1996, we published "New Labour New Life for Britain" and, in 1997, we published our election manifesto—both of which included a commitment to end capping.

For more than a decade, we have been preparing for power and, in that preparation, we have been clearly committed to scrapping the capping regime. Therefore, it is with extreme concern that I say that, with the first order on local government revenue, we are about to enforce capping—unreformed, unreconstructed and unrelenting.

The same arguments that led us to make the speeches, applaud the leadership statements and vote for the resolutions over the past 13 years apply today. I was convinced then by what the party said and I remain convinced. In all honesty, with all integrity, I cannot support the Government in the Lobby to cap councils. I do not do so lightly. I come from a tradition of democratic centralism and I believe that when a democratic decision is made in a party, the members and representatives should adhere to it. That is what I am doing. I am adhering to the policies determined democratically by the majority of the party. Why is that so important for us? It is because it strikes at the heart of internal party democracy in the Labour party and also at our concept of socialism.

In 1996, we adopted a statement of Labour's values, entitled "Socialist Values in the Modern World". It said:

"This core belief in the power of community to liberate the individual is the oldest and most enduring basis of socialism. Even before Keir Hardie led the Independent Labour Party in the 1890s, people in Britain and abroad came together to argue for the use of collective power—through political parties, trade unions, local authorities . . . to attack privilege and domination and advance the individual interests of the majority of people."

Those are the values we adopted then. Capping is an element, no matter how small, in undermining that power of the community and, therefore, cannot be supported.

6.50 pm

Mr. Yeo: I shall comment briefly on what has been an excellent debate about a crucial subject. The debate featured two maiden speeches of high quality. The first was from the hon. Member for Rugby and Kenilworth (Mr. King), who gave an eloquent description of his constituency and an interesting account of his work in removing surplus school places. Unfortunately, he did not give a great place in his speech to the achievements of

[Mr. Yeo]

Rugby school in inventing an important new British export, but I am sure that the House looks forward to hearing again from him.

The second maiden speech was from the hon. Member for Bolton, North-East (Mr. Crausby), who spoke enthusiastically about the role of manufacturing in his constituency and the achievements of Bolton Wanderers. I share his hopes about job prospects for his constituents in the future and I am sure that the House also looks forward to hearing from him on other occasions.

My right hon. Friend the Member for Bridgwater (Mr. King) relentlessly exposed the failings of the Liberal Democrat-controlled Somerset county council. He also renewed his credentials as an independent and powerful defender of his constituents' interests and, importantly, of the rural community as a whole. He rightly pointed out that the countryside is less well represented in this Parliament than in previous ones, at least those in which I have served.

The hon. Member for Warwick and Leamington (Mr. Plaskitt) convincingly demolished the case for capping Oxfordshire county council, of which he is a former member. With the assistance of an intervention from the hon. Member for Birmingham, Selly Oak (Dr. Jones), he underlined the importance of early notice from the Government of their intentions on the replacement for capping.

The hon. Member for Taunton (Mrs. Ballard) pointed out that much of what the Government have said on capping today and in the past few days has been meant as a warning to Labour-controlled councils that might have been deluded enough to believe that the Labour party election manifesto meant what it said when it referred to the abolition of capping. My hon. Friend the Member for Banbury (Mr. Baldry), who has temporarily left his place, underlined the illogicality of the Minister's arguments. He also emphasised the additional burdens that Oxfordshire county council now faces and which I mentioned earlier.

The hon. Member for Hayes and Harlington (Mr. McDonnell) pointed out that, two years ago, even the Prime Minister gave an unequivocal pledge on capping. I salute the hon. Gentleman's intention to vote against the Government tonight. That is a brave gesture and I hope that I will not put him off by saying that when I did the same myself, as a new Member, it took me a long time to recover from the damage to my career in the eyes of the Whips. Nevertheless, I applaud his stance on such an important issue of principle.

Two clear conclusions have emerged from the debate. First, the Government must clarify their intentions on the timetable for ending capping and on its replacement. They must tell us what the new regime will mean at an early date if damaging uncertainty and confusion are not to plague the important decisions that councils have to take when they set council tax levels next year and the year after.

Secondly, the urgency of the need for clarification of the Government's intentions has been enormously increased by the time bomb that is now ticking away. It was introduced by the Chancellor of the Exchequer in his smash-and-grab raid on the pension funds, and it will seriously affect all local authorities. I hope that the Under-Secretary, when he winds up, will at least acknowledge the existence of that problem and the importance of responding to it sooner rather than later. That alone would be a considerable advance on the Government's position so far. I hope that he will shed some light on those two important issues.

6.55 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): We have had an interesting debate which has ranged widely. The hon. Member for South Suffolk (Mr. Yeo) has spoken twice. On the second occasion, the level of support for him on the Conservative Benches was significantly lower than on the first. Being charitable, I hope that that was not a reflection on his colleagues' view of his oratory or the force of his argument. In his first attempt, the case he put was relatively weak, but he compensated for that by the force with which he expressed it. He reminded me of the advice given to a young politician who was nervous about the force of his argument. He was told, "If you have a weak case, shout loudly."

The hon. Member for South Suffolk made a number of points and I shall seek to address them. He asked about the changes to advance corporation tax, although he was stretching it, in a debate on council tax caps in 1997–98, to drag in that measure, which will not come into effect until 1999–2000. The impact of Budget changes on local authority pension funds cannot be known until after the revaluation that is due after March 1998. That revaluation will decide any changes that authorities must make to their contributions to the funds. Those changes will necessarily take account of all factors affecting funds, including, for example, early retirement. The new level of contributions will not affect local authority budgets until 1999–2000.

Mr. Yeo: Will the Minister confirm that the income received by local authority pension funds will be lower, from the date of the Budget, because of the change in the tax treatment of dividends received by all pension funds and that, therefore, the income of those funds will be substantially reduced?

Mr. Raynsford: No, a number of different factors will affect the income that pension funds receive and, until the revaluation is made after March 1998, local authorities will not know what deficit—if any—they will have to cover. Therefore, it is not possible for them to make any provision currently as the hon. Gentleman suggests. That is not a relevant factor to the order.

The second issue that the hon. Gentleman raised was the review of standard spending assessments. He asked for an indication of the changes that the Government might make. He is an experienced Member of Parliament and he knows very well that Governments review the options until they reach a conclusion, at which point they share their thinking with the House. We are considering with local government representatives the range of possible changes that have been suggested. We will reach a preliminary view in the autumn about which changes should be made, we will consult local government in the autumn and we will then bring a report before the House in the new year to implement any changes that we propose. That is the timetable that has been followed in previous years, as the hon. Gentleman will know.

Finally, the hon. Gentleman asked about the implementation of our manifesto pledge to end crude and universal capping. As my hon. Friend the Minister of State made only too clear at the outset, we shall make those changes at the same time as we introduce the replacement scheme, based on best value and local performance plans.

My right hon. Friend the Chancellor of the Exchequer said in his Budget statement that we would review future arrangements for local authority finance, but that we would retain capping for 1998–99, while putting in place measures to improve local accountability that will allow us to fulfil the manifesto commitment. It was right for us to take an early opportunity to let local authorities know the position, so that they could plan accordingly.

My hon. Friend the Member for Rugby and Kenilworth (Mr. King), in an impressive maiden speech, paid tribute to his predecessors and to his constituency. Appropriately, he referred to education reorganisation in Warwickshire, which he described as painful but right. I appreciate his kind words about the handling by my hon. Friend the Minister of State of the case put to her by Warwickshire for the relaxation of the cap.

The right hon. Member for Bridgwater (Mr. King) made the fair point that there was no doubt about the new Government's commitment, made clear in opposition before the election and made clear again after the election, to stick to the inherited local government settlement this year.

Mr. David Heath *rose—*

Mr. Raynsford: I was talking about the speech by the right hon. Member for Bridgwater. I trust that the hon. Member for Somerton and Frome (Mr. Heath) will have the courtesy to listen to my response to what was said by another Member from his part of the country.

The right hon. Member for Bridgwater made that valid point, and recognised the fact that there was no prospect of Somerset county council's being immune from the impact of the cap. He then became involved in a private altercation with Liberal Democrat Members from that county, into which I do not feel that I should intrude, so I shall pass on to the comments of my hon. Friend—

Mr. Heath: Will the Minister give way?

Mr. Raynsford: No, I will not give way to the hon. Gentleman.

My hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) expressed appreciation of the Minister of State's decision in respect of Warwickshire, but expressed concern about the position in Oxfordshire, an authority with which he has had considerable involvement. Indeed, I believe that he was leader of the county council for a time.

My hon. Friend suggested, as have some other hon. Members, that Oxfordshire is the lowest-spending county per head—a factor that he thought should justify special treatment. I have to tell him that spending per head is not in itself the best measure of need to spend. Standard spending assessments are designed to provide that other measure, and using SSA comparisons, which make allowance for the different circumstances in each authority, Oxfordshire spends more than 13 other counties.

The hon. Member for Taunton (Mrs. Ballard)—

Dr. Harris: Will the Minister give way?

Mr. Raynsford: I am afraid that, as the hon. Gentleman knows, this is a very short winding-up speech. I have less than five minutes before the debate has to end, so I regret that I cannot.

The hon. Member for Taunton argued that Somerset and Oxfordshire should be able to spend respectively £6 million and £3.4 million above cap. However, as was pointed out in an intervention by my hon. Friend the Member for Milton Keynes, North–East (Mr. White), many other local authorities have faced similar difficulties, yet have managed to set budgets within the cap limits that they knew would apply this year.

In response to an intervention by my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman), the hon. Member for Taunton claimed, incorrectly, that the Government were making no additional finance available to local authorities this year. She must be aware of the Local Government Finance (Supplementary Credit Approvals) Bill which has begun the process of honouring our policy of releasing capital receipts. Those will be available as finance to local authorities in the current year.

Mrs. Ballard: Will the Minister give way?

Mr. Raynsford: I was simply correcting an incorrect statement that the hon. Lady made, but I shall give way to her.

Mrs. Ballard: I am sure that the Minister knows well that the Local Government Finance (Supplementary Credit Approvals) Bill affects capital receipts for housing projects. We are talking about two county councils tonight, and county councils are not housing authorities, so they will not benefit from that Bill.

Mr. Raynsford: I am well aware of the responsibilities of county councils as opposed to those of district councils, but the hon. Lady said that there was no additional finance for local authorities. That is what I was correcting.

Mr. David Heath: Will the Minister give way?

Mr. Raynsford: I have already said that I shall not.

My hon. Friend the Member for Bolton, North–East (Mr. Crausby), in an impressive maiden speech, paid tribute to his predecessors and to his constituency, which I have had the pleasure of visiting a couple of times in the past two years.

The hon. Member for Banbury (Mr. Baldry), after a brief excursion via Bolton, with which he, too, has associations, focused on Oxfordshire and offered us an interesting suggestion. He said that the former Minister responsible for local government, the right hon. Member for Skipton and Ripon (Mr. Curry), had said privately that he would have considered relaxing Oxfordshire's cap had he remained in office. Hindsight is a wonderful thing, but it is not a basis for policy making, as I am sure the hon. Member for Banbury knows.

The hon. Gentleman asked whether the Minister of State's advice to councils before the general election had revealed the appropriate policy that the Government

[Mr. Raynsford]

would follow. My hon. Friend was absolutely clear in her advice to councils, both Labour and others, before the election. She said that if we were successful in that election, the new Government would work within the existing settlement, so all authorities should plan accordingly.

Sir Robert Smith: Will the Minister give way?

Mr. Raynsford: My hon. Friend the Member for Hayes and Harlington (Mr. McDonnell) outlined, in a speech of political philosophy, his view of capping. However, as he made no specific comment about Oxfordshire or Somerset, I shall move on to my concluding remarks.

We have carefully considered all relevant considerations in each authority's case before reaching our final decisions on the caps for Oxfordshire, Somerset and Warwickshire. The Minister of State has seen representatives of the authorities in person, and I have responded to Adjournment debates on both Somerset and Oxfordshire in recent weeks.

We are persuaded that the proposed caps are reasonable, achievable and appropriate in the light of all the circumstances of each authority, and of our view of the appropriate level of local authority spending as a whole. Local authorities are responsible for a quarter of all public expenditure, and no sensible Government can overlook that fact.

Some hon. Members have suggested that the cap may undermine our party's commitment to education. That is nonsense. We inherited this year's settlement from the previous Administration, and we made it clear well in advance of the election that we felt that we had no choice but to stick with it.

The Budget, however, makes it clear that we are committed to education. We are making extra provision of £835 million for schools. That is for revenue spending in 1998–99, and is £1 billion more than this year's figure. The new deal for schools will also provide an extra £83 million for repairs. We are committed to education and we are committed to local government. I commend the order to the House.

Question put:—

The House divided: Ayes 301, Noes 36.

Division No. 62] **[7.6 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Banks, Tony
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bennett, Andrew F
Benton, Joe
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Christine
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Galbraith, Sam
Galloway, George
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Illsley, Eric
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Ladyman, Dr Stephen
Laxton, Bob
Lepper, David
Liddell, Mrs Helen
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
McWalter, Tony
McWilliam, John

Mahon, Mrs Alice
Mallaber, Judy
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Shef'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Edward
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Mrs Sandra
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Ward, Ms Claire
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. G[illegible] Pope and
Mr. Clive Betts.

NOES

Allan, Richard *(Shef'ld Hallam)*
Ashdown, Rt Hon Paddy
Baker, Norman
Baldry, Tony
Ballard, Mrs Jackie
Beith, Rt Hon A J
Breed, Colin
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Davey, Edward *(Kingston)*
Fearn, Ronnie
George, Andrew *(St Ives)*
Gorrie, Donald
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Heathcoat–Amory, Rt Hon David
Hughes, Simon *(Southwark N)*
Jackson, Robert *(Wantage)*
Jones, Nigel *(Cheltenham)*
King, Rt Hon Tom *(Bridgwater)*
Maclean, Rt Hon David
Maclennan, Robert
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Smith, Sir Robert *(W Ab'd'ns)*
Tonge, Dr Jenny
Tyler, Paul
Webb, Professor Steve
Willis, Phil

Tellers for the Noes:
Mr. Andrew Stunell and
Mr. Adrian Sanders.

Question accordingly agreed to.

Resolved,

That the draft Council Tax Limitation (England) (Maximum Amounts) Order 1997, which was laid before this House on 14th July, be approved.

Mr. Paul Tyler (North Cornwall): On a point of order, Mr. Deputy Speaker. The hon. Member for South Suffolk (Mr. Yeo) may have unwittingly misled the House. He said that he and his Conservative colleagues would be voting against the order. Perhaps he was guilty of misunderstanding the situation or was misinformed. Certainly, he and his colleagues did not vote against the order. Perhaps he would like to explain why he unwittingly misled the House.

Mr. Richard Ottaway (Croydon, South): Further to that point of order, Mr. Deputy Speaker. I believe that my hon. Friend has been misinterpreted. He said that he would not vote for the order.

Mr. Deputy Speaker (Sir Alan Haselhurst): I am sure that that explanation removes the need for any ruling by me.

DELEGATED LEGISLATION

Mr. Deputy Speaker: With permission, I shall put together the motions relating to delegated legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

OVERSEAS DEVELOPMENT AND CO-OPERATION

That the draft Asian Development Bank (Sixth Replenishment of the Asian Development Fund) Order 1997, which was laid before this House on 26th June, be approved.

That the draft International Fund for Agricultural Development (Fourth Replenishment) Order 1997, which was laid before this House on 26th June, be approved.

CONTRACTING OUT

That the draft Contracting Out (Metropolitan Police and Civil Staffs Pensions) Order 1997, which was laid before this House on 30th June, be approved.—*[Mr. McAvoy.]*

Question agreed to.

Thanet Regeneration

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McAvoy.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Will hon. Members please leave the Chamber as quickly as possible, in fairness to the hon. Member who has the Adjournment?

7.20 pm

Dr. Stephen Ladyman (South Thanet): Thank you, Mr. Deputy Speaker. I am also grateful to Madam Speaker for selecting this topic and giving me the opportunity to bring some of the problems facing Thanet to the attention of the House. I regard it as a great honour to have secured this debate.

I have made my home in Thanet, having lived there for six years even before I became its Member of Parliament. It is one of the few places in which I have found the same warmth of welcome as on my native Merseyside. It is a great honour for me to represent the people of the area and to present some of their problems to the House.

There is a great deal of misapprehension about Thanet. Because it is in the south-east, it is sometimes mistakenly thought of as a prosperous area. Indeed, only this week, my right hon. Friend the Secretary of State for Health referred in a television interview to "the prosperous south-east". That rather innocuous remark upset many of my constituents, who are far from prosperous.

I happen to know that my right hon. Friend knows Thanet well—he even visited me during the general election campaign—and I am certain that he intended to say, "the prosperous parts of the south-east", but none the less his remarks added to a picture which suggests that Thanet is not really the problem area that we make it out to be.

I want to bring some of the facts to the attention of the House. There is considerable economic deprivation in Thanet, which leads directly to social deprivation. As it happens, only 80 per cent. of my constituency is in Thanet, the other 20 per cent. being in the Dover district, but Thanet's social deprivation is exported throughout the constituency, so everybody suffers from it.

In June this year, unemployment in Thanet was 10 per cent., down from 10.7 per cent. in May. One should compare that with unemployment in the south-east as a whole, at 3.7 per cent., and in Kent, at 5.4 per cent., and with the national average, at 5.6 per cent. Our unemployment is higher than that in Glasgow or on Merseyside.

The problem is even worse than those figures suggest, because Thanet has a large tourist industry and a large agricultural industry, so unemployment is depressed in the summer months as a result of seasonal work. The figures later in the year will show our unemployment to be as high as 14 per cent.

Eight of the wards in Thanet—large, three-member wards—are in Kent's top 50 for social deprivation. Some of the wards in my constituency have male unemployment as high as 60 per cent. There are 4,015 children in Thanet who receive free school meals. Despite above average A-level results, the number of students going on to further education is half the Kent average, as a result of the low wages in their households.

In Thanet, 51,852 homes lack the exclusive use of a bathroom; 70 per cent. of council tenants receive rent rebates; 30 per cent. of households include a council tax benefit claimant; and there are 900 empty business premises. The statistics go on and on. One, which I discovered only this week, really horrified me: 41 per cent. of the households in Thanet have a total income of less than £10,000 a year. To put that in perspective, Members of Parliament receive £12,000 a year just to cover our additional costs for having to live away from home for a few days a week. My constituents have to live on that money for the whole year.

Progress has been made; there is no question about that. The first step along the route to progress was that the European Union recognised our problems and granted us objective 2 status. That embarrassed the previous Government, who granted us assisted area with development area status. We have also managed to make some successful single regeneration budget and lottery bids, and further progress was made in May 1995, when the good people of Thanet, for the first time, overwhelmingly returned a Labour council.

That council has begun the business of transforming Thanet. It first transformed its financial management, and I shall come to the significance of that later. We built a superb regeneration and economic development unit in the council. The overriding aim of our manifesto was to create jobs. In that endeavour, we have received wonderful help over the past 12 months from the Government Office for the South East. When we first got objective 2 status, I do not think that GOSE or the then Conservative council knew how to exploit it. Since 1995, we have learnt together, and over the past 12 months, the office has come up trumps.

The council has transformed itself into what we call a quasi-local development agency. Now it can start to attract inward investment. The council created two business parks. One, which was entirely in private hands, was created by threatening compulsory purchase, although we were willing enough to work with the developer to make progress.

The council also purchased 10 acres of land from its meagre resources to build a second business park, known as Thanet Reach. The two parks are now built, serviced and ready for jobs; Kent international business park has already attracted an investment from the Cummins group, and the building of its factory has been started, which is good news indeed.

We have attracted some other major investments. Holyman-Sally is to invest £85 million in catamarans, to run from Ramsgate; Dreamland Ltd. has started to refurbish the fairground at Margate and to construct, in an adventurous arrangement with the local council that will lead to the renovation of a large area of Ramsgate, a designer outlet called Ramsgate Boulevard, which we hope will attract thousands of people to the town.

I want to say a little more about the governance of regeneration. Although the economic development unit and the efforts of GOSE have been a step forward, we have been less successful in some other areas. There has been little democratic membership of the regeneration partnership, at the direct instructions of the previous Government. We fought long and hard, and now we have eventually been allowed to put some councillors on that partnership. The council would also like the local Member

of the European Parliament to be on it. I hope that the Government will one day make it clear that they will allow him to be on the partnership.

Some of our endeavours suffer from a lack of support from some of the quangos that should be helping us. English Partnerships has always talked a good fight, but backed away from it at the last moment. For the first few years of its life, East Kent Initiative seemed more interested in the channel tunnel than in Thanet, and for the past few years it seems to have been misdirected and looking for a mission in life. Now, it merely stands between us and inward investors. A new organisation, Locate in Kent, has been set up. I hope that the regeneration unit of the local council will be able to deal directly with that organisation. It can attract the inward investors, and the council can then turn that contact into real development.

I met the chief executive of Locate in Kent yesterday. It was a helpful meeting and I was encouraged by what he said. He gave me his corporate brochure, which I read before making this speech, and I was horrified to see that it does not mention the Thanet Reach business park or include one of the major roads into Ramsgate, which I do not find encouraging. If Locate in Kent does not tell the whole story about Thanet, who will? I hope that he will put that right.

I welcome the Government's proposals for regional development agencies, but I hope that the Minister will ensure that when they are set up, they report to a Minister, that they have full democratic control and that the regeneration unit of Thanet council will be able to work directly with them. I also ask that we work out what the council and the regional development agency should each do and ensure that they do not stand on each other's toes and duplicate effort.

We have some serious infrastructure problems, which need to be tackled. I shall take the House on a quick drive into Thanet. The A299 is being dualled, which is a step forward, but the dualling terminates on the A253, so there is no dual carriageway into Ramsgate. Furthermore, someone driving a 40-tonne lorry into our port has to go through the heritage town and round a hairpin bend—in fact, there are two sharp bends—which was intended for the horses and carts of Wellington's army, not a 40-tonne articulated truck. The Ramsgate harbour approach road is badly needed. The tragedy is that it is fully funded, it had been through all its planning processes and the archaeological work had started, when the new Conservative county council, elected on 1 May, decided to put the project on hold. All that the county council has succeeded in doing is to worry our inward investors. I ask the Government to do whatever they can to give the county council a kick up the pants and tell it to get on with building that road.

When one comes into Ramsgate and turns right on the A256, one leaves Thanet, but quickly comes to the jewel in our local crown—it is also one of the jewels in the United Kingdom crown. Pfizer is a pharmaceutical and animal health company—the largest animal health company in the world and the fastest-growing human medicine company. It is the fastest growing because it has the most successful research organisation, and the most successful component of that research division is in Sandwich. Several thousand people work there and another thousand will work there in five years, but not unless we upgrade the roads to the Pfizer site. The company has already decided to move 300 jobs to the M25 corridor. That will be the thin end of the wedge, unless we give it the infrastructure improvements that it needs.

If one turns left from the A253 on to the A256, one can see that we also need to improve the road to Thanet Reach. We also desperately need a decent rail link. I call upon the Government to work with Railtrack to build a fast link from Thanet to Ashford, to join the high-speed rail link to London. The joke is that Pfizer came to my constituency in the mid-1950s because of the high-speed rail link that existed then. Unfortunately, it is the same high-speed link now, only a good deal dirtier and less well kept.

Grants are important if we are to attract inward investment, but inward investors tell us that they are typically offered £16,000 a job to invest in Thanet, whereas they can get £30,000 a job to invest in Wales. I realise that there will be some dispute over those figures. The Minister may even challenge them, but that is what inward investors are telling us, so either the figures are correct or their perception is wrong. We need to deal with the problem, whichever it is.

We need quality jobs with decent rates of pay. I was horrified to find out that GOSE offered someone a lower grant than he ought to have had because it thought that he would pay too much. He wanted a trained and motivated work force. GOSE thought that he should have a low-paid work force. That was some time ago. I hope that GOSE does not have that attitude now, and I call on the Minister to confirm that it does not.

Council finance is another important element. Because of our large housing benefit problem—we pay out about £40 million in housing benefit to low-paid people and suffer from what is sometimes called dole by the sea—the net cost to the council is £3 million a year. That £3 million, which the Secretary of State of the time said would not fall on councils, comes out of the general fund budget of only £15 million. If we had that money, we could spend it on local business, small businesses and tourism. As we do not have it, those businesses suffer. I call on the Government to keep a promise made by the previous Government, who said that they were going to deal with that problem.

This week, we heard that RAF Manston is to close. I should be pleased if the Minister responsible was prepared to meet me and others from Thanet to discuss the transition to private use. The closure will upset many people in Thanet—they remember Manston when it was the front line of the battle of Britain, so they have a sentimental attachment to it. If it has no military use now, we could at least make it into a private, specialised airfield, which could create thousands of jobs.

I must briefly mention health care, because East Kent health authority has today launched a review of health care throughout east Kent. I was disappointed with a written answer that I received tonight from the Department of Health, which tells me that clinical need will be "a major component" of the priorities considered by that review. It ought to be the primary component. I call on the Minister to say so.

In conclusion, we have had lots of bad news in Thanet recently, even since the general election. The county council has attacked the harbour approach road, the Ministry of Defence has closed down RAF Manston and

[Dr. Stephen Ladyman]

the local health trust has decided that it wants to close Ramsgate hospital. Now is the Minister's opportunity to give me some good news. If she cannot do so tonight, let her at least tell me that the Government are committed to reviewing those issues and that some time during the next five years I shall have action on them to take back to the good people of Thanet, who desperately need the Government's help.

7.36 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): I congratulate my hon. Friend the Member for South Thanet (Dr. Ladyman) on his success in achieving this Adjournment debate and on his election success. I visited his constituency a couple of years ago to look into some employment issues with the local employment service as a member of the Select Committee on Education and Employment. I remember thinking that his constituency was very like mine—Wallasey—and wondering why it had a Conservative Member of Parliament. At the election, he put that right.

Thanet gained European Union objective 2 status in 1994, reflecting the economic decline that the area has suffered in recent years—a decline that my hon. Friend highlighted well. Objective 2 programmes tend to be of three-year duration. The first ended in 1996 and involved about £11 million of grant aid. The new programme started from January and will mean another £14 million of grant aid to support a range of local initiatives. My hon. Friend's point about the high levels of unemployment was well taken—my constituency suffers similar levels. To date, Thanet has received £13.6 million in regional selective assistance, with further investment of £85 million levered in as a result of the grants, to create more than 1,800 jobs. In addition, £9 million spread over five years was allocated to the Thanet Regeneration Partnership in 1995–96 under round 1 of the single regeneration budget and a range of projects are already under way and achieving results. The partnership also submitted a bid under round 3 and secured a further award of just under £6 million.

Thanet also benefits from European funding under the INTERREG Community initiative, which includes two initiatives that will spend £3.2 million in Thanet alone. Taken together, those grants represent a substantial commitment to Thanet by the Government and the European Union and they reflect confidence in Thanet's ability to deliver results.

Since coming to power, the Government have spelt out the new approach that we want to bring to regeneration. We do not regard regeneration as being only about schemes and projects or bricks and mortar; it is also about social regeneration—people are as important as buildings. In our approach to round 4 of the single regeneration budget, we have spelt out our concern to attack the causes of social and economic decline and exclusion and to tackle the needs of deprived communities. That means collaboration and partnership at local level.

We want an integrated approach, and we have started at the top with the new Department of the Environment, Transport and the Regions. We also want integration at regional level. My hon. Friend mentioned bodies in the south-east such as East Kent Initiative and Locate in Kent. National bodies such as English Partnerships also have a role to play in the region. I sympathise with my hon. Friend because more than 40 such organisations are operating in Merseyside. I am certain that a more integrated approach would bring real benefits and avoid some of the duplication and confusion that has arisen from current arrangements. That is where our proposals for regional development agencies come in.

I am pleased that my hon. Friend supports the move to regional development agencies. The Government regard them as an essential first step to effective, co-ordinated, strategic regional economic development that will enable the English regions to improve their competitiveness. One of our important jobs will be to bring together the various regional organisations and help them work together to ensure that the regions gain the greatest possible benefit from their efforts.

Ministers are still considering what arrangements are appropriate to the specific needs of each region. That is why the Government Offices in all regions are carrying out a national consultation exercise to ensure that Ministers have access to as wide a range of views about future structures as possible. Local authorities are included in the process and I am sure that they will make a valuable contribution to the development of that policy. I look forward to Thanet district council's contribution. A consultation event, one of a series organised by the Government Office for the South East, takes place in Kent next week. The opinions expressed then will be weighed carefully.

My hon. Friend mentioned the membership of the monitoring committee that steers and oversees Thanet's objective 2 European funding. The approach taken by the Government Office for the South East reflects current Government policy. However, those of us who represent constituencies that receive European Union structural funds are only too well aware of the frustrations that some of these arrangements have created. It is a question of balancing proper monitoring with efficiency and accountability, a balance with which Government Offices continue to wrestle. The arrangements are set out in the single programme document and the European Union expects them to be fulfilled.

I am aware that the Member of the European Parliament for Kent, East has written to my hon. Friend the Minister for the Regions, Regeneration and Planning raising his possible membership of the monitoring committee. Of course Members of the European Parliament have a legitimate interest in the way in which programmes are implemented. I am aware of the views of several of them on the matter, which I shall take up with colleagues.

I should also like to take this opportunity to assure my hon. Friend that the Government Office for the South East is working actively and closely with Thanet district council and local partners to ensure that the forthcoming 1997 to 1999 phase of the objective 2 programme delivers maximum benefit for the regeneration of the area.

The Ramsgate harbour approach road is part of the pilot capital challenge scheme announced last year by the previous Government. Kent county council was successful in securing credit approval worth more than £25.9 million over three years to build the road. More than a third of the allocation available for the whole south-east region

has been set aside for that one scheme. As my hon. Friend knows, the scheme seeks to provide a new link between the strategic road network and Ramsgate harbour and is regarded as a major catalyst in the diversification of Ramsgate port, creating environmental benefits for the town while aiding the economic regeneration of the Thanet area.

It is therefore surprising that Kent county council is holding up the scheme that it championed so effectively when it made the bid. The county council changed hands when the Conservatives took control at the last election. It is reviewing the system of road schemes in its area. I hope that it comes to a conclusion quickly but I note that my hon. Friend's predecessor, Jonathan Aitken, said:

"Our town of Ramsgate needs and deserves this road."

In the same debate, he was supported in his plea by the hon. Member for North Thanet (Mr. Gale), who said:

"I endorse his arguments utterly and whole-heartedly."—[*Official Report*, 4 December 1996; Vol. 286, c. 1181.]

I sincerely hope that whatever its decision, Kent county council will get on with it and remove the uncertainty.

By far the largest road building scheme being funded in Kent is the A299-A253 extension, which is the Isle of Thanet's link to the M2 and the strategic road network. My Department is funding Kent county council's scheme to upgrade the road to dual carriageway standard with grade-separated junctions at a total estimated cost of more than £170 million. There are no short-term plans to improve the A253 between Prospect Inn and Lord of the Manor. It is for Kent county council as the local highway authority to develop proposals for that section of the road and bid for funding of the scheme in the usual way.

From a local transport point of view, Kent has done extremely well in recent settlements, taking more than 10 per cent. of national resources. In 1997–98, it will receive £77.3 million in financial support. In a year when the financial constraints bit hard, that compares well with the previous year's figure of £81.6 million.

I note my hon. Friend's comments about rail services in Thanet. The area is served by three trains per hour from London, provided by Connex South Eastern. As he said, the journey time is about one hour 45 minutes. I understand that that will be reduced when the channel tunnel rail link comes into operation. He mentioned a fast connection via Ashford. The Stour Valley line between Thanet and Ashford via Canterbury has been identified as needing upgrading to become a strategic link between Thanet and London linking into the channel tunnel rail link at Ashford. I am sure that he will be watching for progress.

The franchising director has powers to support and encourage investment in new railway services. He has developed criteria for appraising proposals to support new services that offer wide public benefit but may not be viable on a purely commercial basis. He has made recommendations on that criterion that Ministers are considering, but it will be for potential operators of new services to approach him with their proposals.

On attracting quality jobs, I strongly agree with my hon. Friend that casualised or low-paid jobs are not the answer to creating proper, sensibly based regeneration. I am pleased that he supports the Government's intention to legislate for a national minimum wage. I am not aware of the case that he described where an applicant for regional selective assistance apparently received less grant because the previous Government thought that the wages that he was paying were too high. Conservative Members were boasting only yesterday in another Adjournment debate about how low agricultural wages were. They never seem to learn. Rest assured, this Government do not share those opinions.

My hon. Friend also asked about RAF Manston. Naturally, Government Office for the South East officials wish to maintain a close working relationship with local partners to monitor developments with regard to the future of RAF Manston and to evaluate how the site may be used to assist in Thanet's economic regeneration. In view of the announcement earlier this week by the Ministry of Defence on the proposed withdrawal of the RAF from Manston, the Government and local partners are examining the potential civil development of the site with renewed urgency. However he will appreciate that at this stage I am not in a position to be more definite.

The administration of housing benefit is a matter for the Department of Social Security, but I will pass on my hon. Friend's observations. As he knows, 95 per cent. of private sector housing benefit expenditure by authorities is returned direct to them. The remaining 5 per cent. is fed into authorities' general funds through the revenue support grant mechanism. An additional 0.5 per cent. is fed into the general fund in recognition of authorities' expenditure in what are known as incentive areas, where they stand most chance of controlling their administrative expenditure through their own efficiency.

I understand that in some circumstances an authority may lose out, for example when a rent determined by the rent officer is lower than the actual rent that the authority is required to meet. However, changes to the housing benefit rules in 1996 have reduced that problem and a discretionary lump sum is available from the Department for Social Security to meet extra cases of hardship.

I am aware that the council made representations to my Department through the then sponsor Minister for the south coast at the end of last year. The council wanted the capping regime amended so that its expenditure on housing benefit would be disregarded. The previous Government refused to do that and my hon. Friend will not expect me to give a commitment on such a complex issue tonight. The funding regime for 1997–98 is now fixed, but it will be open to Thanet to make representations for next year at the appropriate time.

This has been a wide-ranging debate. Indeed, my hon. Friend set me a formidable task of trying to answer the many questions that he asked. I am sure that I have not dealt with all of them, but he has left the Government in no doubt about the needs of his area. He is already proving that he is a doughty fighter for his constituents. Some of the issues that he brought up tonight are already being addressed and local partnerships and individual members of the community deserve much credit. There is still much to do, and my hon. Friend has illustrated the wide range of departments and agencies with responsibilities in the area. The challenge now faced by Thanet and its partnerships is to use all the resources available to secure a successful future for their people.

Question put and agreed to.

Adjourned accordingly at ten minutes to Eight o'clock.

House of Commons

Friday 18 July 1997

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

9.34 am

Ann Clwyd (Cynon Valley): On a point of order, Madam Speaker. You have continually said over the past few weeks that any changes in Government policy should be spelt out on the Floor of the House. We have seen from the newspapers today that there appears to have been a change in Government policy without any statement being made to the House.

Yesterday, my right hon. Friend the Foreign Secretary made a strong statement on human rights and said that arms and equipment would not be sent to countries with bad human rights records that might use them for internal repression. Today, we read in the press that 16 Hawk aircraft are to be sent to Indonesia.

Over the past few weeks, I have tabled 38 parliamentary questions to the Department of Trade and Industry about our arms trade with Indonesia. Until a week ago, I had not even had holding answers to any of those questions; I have now received 12 answers. Six weeks have gone by, and the Department has still not answered the other questions. I feel that I have been misled, and I am sure that many other hon. Members will feel the same. At the very least, we should have a statement from the Government, on Monday if not today.

Madam Speaker: Let me respond to the hon. Lady. She well knows that I am not responsible and have no authority to call Ministers here to make statements, but she was quite correct in what she originally said, in that if there is a change, we in the House should be the first to hear about it. I hope that those on the Government Front Bench will have noted what she said and will report the matter back.

Mr. Quentin Davies (Grantham and Stamford): On a point of order, Madam Speaker. I found out last night that, contrary to assurances given to me and to others, with great duplicity and irresponsibility, Lincolnshire health authority has taken a decision to close the paediatric ward in Grantham hospital. That sets at risk the health of my constituents and the lives of children with acute conditions who need emergency care, and will undermine the obstetric and maternity facilities in the hospital and lead, I fear, in short order, to the end of Grantham hospital as a general hospital.

As you can imagine, Madam Speaker, the matter is causing the greatest anxiety and concern in Grantham. My constituents naturally look to me to do what I can to ensure that it is brought to the Government's attention. Is there some way in which I can ask the Secretary of State for Health to come urgently to the House this morning to discuss the future of Grantham hospital, which is a matter of the gravest concern to the 50,000 or 60,000 people who depend on it?

Madam Speaker: I have not been informed at this stage that the Secretary of State or any Minister from the Department of Health is seeking to make a statement. I know that the hon. Gentleman feels strongly about the matter, and he may seek an appointment this morning with a responsible Minister in that Department.

Mr. Edward Leigh (Gainsborough): Further to that point of order, Madam Speaker. I want to support what my hon. Friend the Member for Grantham and Stamford (Mr. Davies) has said. The matter is of grave concern not only to those who live in Grantham, but to all the people of Lincolnshire, because there are knock-on effects.

Many of us who represent Lincolnshire constituencies are getting increasingly fed up with the high-handed way in which Lincolnshire health authority has conducted its affairs over the past 18 months. It sought to close the hospital in Horncastle, in my former constituency, and to close down or affect the accident and emergency department in Gainsborough hospital, in my present constituency.

Those are matters of grave concern. There have been public meetings all over Lincolnshire and hundreds of people have attended and expressed their concern and outrage at the way in which we are being treated. It is therefore important that all of us who represent Lincolnshire constituencies should support my hon. Friend and call on the Government to get a grip on the matter and ensure that the people of Lincolnshire are properly represented and that their interests are protected by the Government.

Madam Speaker: One or other of the hon. Gentlemen, who clearly have an interest in the matter, because it involves a catchment area that affects their constituents, might seek an Adjournment debate on the subject before the recess.

Schools (White Paper)

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Dowd.*]

9.39 am

The Minister for School Standards (Mr. Stephen Byers): Ten days ago, the White Paper, "Excellence in schools" was published. I am sure that many hon. Members will welcome the opportunity to discuss in detail some of the proposals and measures contained within it.

The Prime Minister has said on more than one occasion that education is to be the No. 1 priority of his Government. Those are not just fine words; they have been matched with action and with deeds. The first Budget of the Labour Government provided an additional £2.5 billion in revenue and capital spending for our schools—a real investment in our children and in the future of our country. The first White Paper published by the Government has been that which we shall debate today.

The White Paper puts standards in schools and the need to provide high-quality education for all our children at the heart of the Government's programme. It is a White Paper which provides a vision for the future, a future in which everyone has a part to play, whether they are the Government, parents, teachers, governors, businesses, local authorities, Churches and, most important, our nation's schoolchildren. It is a White Paper about equipping our children for the challenges that lie ahead. It also honours the Government's core commitment to excellent education opportunities and high standards.

Perhaps above everything else, this is a White Paper which has the aim of replacing a culture of complacency with a commitment to success. It is for those reasons and based on those principles that the White Paper has been met with such broad acclaim and support across the spectrum of opinion in our country. The leader in *The Daily Telegraph* states that the Secretary of State

"deserves credit for treading where the Tories would not."

The Independent reported:

"The White Paper is the most grown-up document to emerge from Government for a long time."

The Sun described it as

"A welter of excellent proposals."

The Express has described it as an

"ambitious and admirable White Paper."

A leader in *The Times* stated:

"The Government has produced policy proposals for improving standards more coherent and all embracing than any of the initiatives introduced by the Government"—

the previous one.

Perhaps more important than those reactions from the newspapers, extremely welcome as they are as an indication of the public mood and the response to the White Paper, has been the reaction from parents, the teaching profession and the wider public. They have recognised that the proposals set out in the White Paper and the principles that underpin them are the right way ahead. They are the way in which we shall raise standards for all, and we shall achieve that in partnership with everyone who shares our commitment to raising standards.

Since the publication of the White Paper last week, we have not stood still. The document has been sent to all schools and local education authorities. It has also been sent to key national and regional bodies. Summary versions are widely and freely available, including at a number of supermarkets where parents and others can easily obtain them.

Since the publication of the White Paper, we have also had the first meeting of our new standards task force on 10 July, which was chaired by my right hon. Friend the Secretary of State for Education and Employment. That body achieved some publicity when it was announced that the two vice-chairs were to be the chief education officer of Birmingham and Her Majesty's chief inspector. I must report that they both attended the first meeting of that task force and in their own ways made significant contributions to the discussion. What came out of that meeting of people with different approaches to meeting the needs of our education service was a common commitment to work together to raise standards and to improve the quality of education that our children receive.

The great strength of the task force is that it draws together representatives from the worlds of teaching, communications, local authorities, businesses, academia and the Government. The task force has already identified a number of topics that need to be pursued, for example, how best to celebrate and disseminate good practice and how to break down barriers that too often exist between schools and the wider community.

The task force has already shown that it will be a prime mover in our crusade to raise standards. In many respects, its wide-ranging and diverse membership shows the spirit of partnership that is central to the White Paper and to our overall approach towards raising standards. We believe that the White Paper is significant because, perhaps for the first time, a Government in charge of education have set out a clear, coherent agenda from early years through to secondary schools. It shows in detail how we shall improve the standards of teaching and learning in all our schools for all our pupils.

Mr. Edward Leigh (Gainsborough): Has the hon. Gentleman noted that the top 64 schools in the league tables on key stage 2 results were Church schools, many of which are three times oversubscribed? I therefore refer him to page 67 of the document, "Foundation Schools", and wonder whether the Government will consider allowing existing county or private schools to become faith-based schools. That would give a greater opportunity to parents who want to send their children to such schools, which provide such excellent education. Those schools emphasise that good education is not just about academic standards, but about creating a whole person who wants to give to society. Are the Government therefore committed to expanding the Church-based sector?

Mr. Byers: The hon. Gentleman has said nothing with which I could disagree. I assure him that when we issue our technical consultation paper on the structure of schools, which will address the issue of community-aided and foundation schools, we shall refer specifically to not just the role of the aided sector, but whether schools that are currently maintained could express a preference about which of the three new types of school they may prefer to become. There will be a presumption that certain types of schools will become a certain type under the new

structure. That will be a decision for individual schools, and no restriction will be placed upon them. They will have the freedom to choose which of the three new types of school they believe would be in the best interests of the school, the community and the parents.

The White Paper is based on six fundamental principles that are applied across the range of the proposals contained within it. First, education will be at the heart of the Government. That means a commitment by all Departments, not just the Department for Education and Employment. For example, the new Department for Culture, Media and Sport, which is responsible for the national lottery, will provide some funding to train teachers in information technology. It also means working with the Department of Health on our healthy schools initiative. Perhaps above everything else, education will be at the heart of the Government because we have a Prime Minister who values and recognises the importance of education not just to individual children, but to the country.

Secondly, we want policies designed to benefit the many, not just the few. That will mean an end to divisive funding. It will mean making sure that our children can read, write and add up by the time they leave primary school. It means using resources that were targeted on elite entry to private schools in order to reduce class sizes in primary schools for the benefit of all children.

Hon. Members know that yesterday our Bill to phase out the assisted places scheme suffered an amendment in the House of Lords. That amendment would deny the resources to reduce class sizes for five, six and seven-year-olds and seeks to preserve the existing position. We will overturn it when it returns to this House next week. I have not had the opportunity to discover which of their noble Lords voted for it, but I guess that the majority were hereditary peers. It is a classic example of privilege defending privilege.

Mrs. Angela Browning (Tiverton and Honiton): Is the Minister aware that many of their lordships pressed for that amendment because they have had correspondence, as we have had, from parents who, before Labour came to power, were given pledges in writing from his colleagues that places between 11 and 13 would be honoured? It is a matter not of hereditary peerages but of keeping one's word.

Mr. Byers: On precisely that point, the hon. Lady may not have read the debate yesterday. When she has time, she will find that a clear pledge was given by my noble Friend Baroness Blackstone that any parents who had relied on the letter to which the hon. Lady referred would have the discretion offered in the Bill exercised in their favour. If, as she says, it is a question of trust, we have honoured the content of the letter. The amendment that was carried yesterday had little to do with trust, and more to do with defending privilege.

Ms Margaret Hodge (Barking): Does my hon. Friend agree that it is a bit rich for Opposition Members to talk about keeping their word, given their record in government? Is it not for the Government to keep their word and implement our manifesto pledge, which was clearly stated during our general election campaign, to reduce class sizes for five, six and seven-year-olds by phasing out the assisted places scheme?

Mr. Byers: My hon. Friend is right. It is a question of keeping our word. It was given in a letter from my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle), who was then Opposition spokesman, and it will be kept, as Baroness Blackstone said in yesterday's debate. We will keep our word to the electorate and honour our pledge to reduce class sizes for five, six and seven-year-olds.

Mr. Don Foster (Bath): Will the Minister confirm that Baroness Blackstone went even further than he has suggested by stating that there would be a presumption that children in prep schools who expected to go on to the age of 13 would be allowed to do so, subject to the quite proper individual checks that she announced to the Lords?

Mr. Byers: The hon. Gentleman is right. It has been pointed out to me that the defeat would not have been inflicted but for hereditary peerages. It is a good example of privilege defending privilege. The assisted places scheme is going to go; the sooner we get rid of hereditary peerages, the better.

The third principle that underpins the White Paper is that we have made it clear that standards matter more than structures. It is good teaching and strong leadership by heads that make the difference, not tinkering with school structures. We shall get the structures right, but they are a means to an end, not an end in themselves. Structures alone do not raise standards.

The fourth principle underpinning the White Paper is that intervention will be in inverse proportion to success. We shall challenge schools to succeed. We shall provide advice and guidance. We shall celebrate schools' successes, but where a school is failing, we shall not hesitate to intervene to protect the interests of the pupils. Linked to that is the fifth principle: there will be zero tolerance of underperformance. That applies to teachers, schools, local education authorities and this Government. We intend to create an education service in which every school is excellent, improving or both. Our children do not get a chance to retake their childhood or school years. For their sake, we must not tolerate failure.

The sixth principle is that the Government will work in partnership with all those committed to higher standards. We shall put an end to the divisiveness that has characterised the education world over the past 18 years. The Government will lead, but they cannot succeed alone. We want to take with us parents, teachers, governors, local education authorities, Churches and employers, all of whom have a vital part to play. We are confident that they will want to join us in our crusade to raise standards.

In the time that I have today, I cannot go through all the proposals in the White Paper. I want to highlight two important areas about which there has already been some debate and several important questions raised. The first is the relationship between schools, local education authorities and the Government, and their respective roles in raising standards. Secondly, I want to address the issue of teaching as a profession based on high status and high standards.

The relationship between schools, local education authorities and the Government is important. Several concerns about that relationship have been raised,

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especially by the right hon. Member for Charnwood (Mr. Dorrell) during the statement to the House on 7 July. I want to take this opportunity to make clear the Government's thinking about this important area and to clarify the way in which we wish the relationship to develop.

It is important to stress that the White Paper must be seen as a whole. Individual sentences should not be taken out of context. In considering the new relationship between schools, local education authorities and the Government, there are three specific matters that I want to address: first, setting targets for Government, local education authorities and individual schools; secondly, the role of local education authorities in school improvement; and thirdly, how we see education development plans working to raise standards.

On setting targets, we propose that, by September 1998, every school will have targets set for it. Every school can and must improve. Even the best schools, with some of the best examination results, can do better. Those schools know that, and we want to set them challenging targets, as we shall challenge schools that are underperforming. The real challenge facing the Government and our country is not the 300 schools that have been identified as failing schools by Her Majesty's chief inspector and that are under special measures as a result; it is the 40 to 50 per cent. of schools that are getting by. They are coasting, doing well enough. Parents may be content, but those schools must be challenged because they could do a lot better. It is those schools, thousands of them, that will play a key part in raising national attainment standards. Every school will have targets set.

If schools are to take their targets seriously, it is vital that they take direct responsibility for them. Individual school targets should be based on national targets and the rate of progress needed to achieve them, benchmark information on the performance of similar schools at local and national level, and the most recent inspection evidence.

The main responsibility for raising standards must rest with the schools. However, if a school begins to underperform, the local education authority has a responsibility to intervene. It can do that in two ways: first, it can raise its concerns with the head teacher and the governors and offer support and assistance; secondly, it can issue a formal warning and request a plan of action, to identify how the school proposes to address those concerns.

Mr. Don Foster: Will the Minister supply a little more information about how he envisages local education authorities monitoring schools, so that they can take the action to which he referred? For example, does he envisage LEA officers visiting schools, sitting in on lessons and commenting on them? If so, do the Government intend to provide guidance to LEAs as to the procedures in that regard?

Mr. Byers: If the hon. Gentleman waits just a couple of minutes, I shall address his point about the appropriate role for local education authorities in improving schools.

I was referring to the part that LEAs can play in providing an early warning system. If there are difficulties, the local authority will have the opportunity to issue a formal warning and request a plan of action from the school concerned. If doubts continue and it becomes clear that effective action is not being taken, the LEA should be able to invite the Office for Standards in Education to conduct a further inspection. It should be able to appoint additional governors and, ultimately, it should have the power to withdraw budget delegation from the school.

On the point raised by the hon. Member for Bath (Mr. Foster), the role of the LEA is to challenge schools to raise standards and to set ambitious but achievable targets. It is not one of control. Those days are gone and will not return.

Under the White Paper proposals, an effective local education authority will challenge schools to improve themselves, but it will be ready to intervene where there are problems. It will not interfere with schools that are doing well. However, the White Paper raises important questions about what the LEA's role should be in school improvement.

All schools must be monitored regularly. The White Paper proposes that there should be two external checks on the progress of individual schools. First, every school will have an Ofsted inspection at least once every six years. Clearly, that is not enough. Ofsted will continue to play an important role in identifying schools that are underperforming and making recommendations on how they can improve, but other external pressures are required between the six-yearly Ofsted inspections. The second external check will be carried out by the LEA, which will need to monitor regularly the performance of each individual school.

Mr. Nick St. Aubyn (Guildford): It seems to me that there is a real problem with the Government's proposals. It is unlikely that schools that are monitored so closely and thoroughly by their local education authorities will want to risk trying anything new, so a normal pattern of teaching will be established, without anyone daring to step out of line because of all the heavy-handed checking. As with all systems that are directed from the centre, we shall end up with a second-rate product.

Mr. Byers: As a result of 18 years of Conservative government, all too often we have a second-rate product in respect of education.

The White Paper contains some practical proposals for addressing underperformance in our schools. Schools that are performing well and achieving good results will not suffer the interference to which the hon. Gentleman referred; only schools that are underachieving will need effective monitoring. Under this Government, there will be no hiding place for failing or underachieving schools. We make no apology for that. It is not good enough to rely on a six-yearly inspection. Schools have to be monitored sympathetically and with a light touch. That is what we expect local education authorities to do.

Mr. Phil Willis (Harrogate and Knaresborough): We sympathise with what the Minister is trying to achieve and we welcome the fact that LEAs will play a more significant role—albeit with a light touch—in monitoring and maintaining standards in schools. However, he must be aware that, particularly in the past 10 years, LEA inspection and advisory services have been run down

to an absolute minimum. Many LEAs contract out their staff to Ofsted inspection teams. As there will be no additional resources to pay for their new inspection and advisory role, how does the Minister expect LEAs to perform it adequately?

Mr. Byers: The hon. Gentleman knows that there will be additional resources from the next financial year. The Budget makes it clear that there will be additional revenue. I have no doubt that as that money goes into our school system, in the light of the proposals in the White Paper, many LEAs will recognise that they need to re-establish their advisory and inspection services.

The real problem will be finding experienced personnel. As we have given them notice in the White Paper, we hope that local authorities will begin the task of identifying people to carry out that role. The hon. Gentleman is right to say that people who were doing that work five or 10 years ago will have found other occupations and may well have left the service. We recognise that problem and see the need to tackle it. We have already started discussions with the relevant parties, to ensure that there will be personnel to provide advisory and inspection services locally, in order to deliver on the policy outlined in the White Paper.

Between six-yearly Ofsted inspections, there will be LEA monitoring. What do we expect LEAs to do? They should analyse recent test, examination and inspection results and compare them with results from similar schools; they should monitor parental and local concerns and agree annual targets with individual schools. The annual targets will be included in the education development plan of each local authority, to be submitted to the Secretary of State.

There is an issue as to what will happen if there is not agreement between a local education authority and an individual school about the target that should be set. One example was given by the hon. Member for Tiverton and Honiton (Mrs. Browning) yesterday in a discussion that we had on television. A local education authority may set targets well below the national average, yet an individual school within that authority may do exceptionally well. However, we shall not tolerate the standards of an individual school being lowered as a result of the targets set by the local education authority. That is why, if there is a disagreement, there has to be a fallback position, and that will be the Secretary of State determining any disagreement between an individual school and its local education authority. We are confident that that approach will ensure that we shall be able to drive up standards for authorities, as well as challenging even schools performing well above the national average to do even better.

The local education authority will also need to check that a school's approach to improvement meets the standards set by the Government. If a school is performing successfully, the local education authority will take no further action.

In the introduction of standards and accountability into our school system, the final building block will be the education development plans that will be prepared by each local education authority. They should be operational by April 1999. Each plan will include the targets set for each school and will be submitted to the Secretary of State for approval. He will then consult Ofsted before making his decision on the education development plan.

The merits or otherwise of the education development plan depend on the LEAs functioning effectively. Where they work well—in partnership, not controlling and supporting, not interfering—LEAs can become part of the solution to the problems of our education system. However, when LEAs fail, they become part of the problem. We shall not run away from that. Without fear or favour and no matter what political control an LEA may be under, we shall intervene to stop an LEA failing the children in its locality. That is why, when it was clearly demonstrated that the east London borough of Hackney was failing its children and not delivering the quality of education that parents in Hackney and the Government expect, we invited Ofsted to carry out an inspection of Hackney. That inspection is now under way and we await its report in the autumn.

We shall not stand to one side and see the life chances of our children denied because of underperformance by an LEA, a school or an individual teacher. The reality is that if schools are to succeed in raising standards, they will need support from the local education authority acting sympathetically and from the Government. We will ensure that they receive such support.

The second area I want to touch on is teaching as a profession, which should be based on high status and high standards. High-quality classroom teaching must be at the heart of our drive to raise standards. I have no doubt that the majority of teachers do a good job, often in difficult circumstances; so the time has come to raise the status of teaching as a profession. That is why we intend to establish a general teaching council—a body which will act as a single voice for the profession. Next week, we shall publish a consultation document on the general teaching council. We have no doubt that it will make an important contribution towards the elevation of teaching as a valued profession.

It is currently a great irony that, as things stand, our best teachers are promoted and consequently spend less time in front of a class.

Mrs. Eleanor Laing (Epping Forest): Has the Minister had a chance to evaluate the contribution made to the Scottish teaching profession by the General Teaching Council in Scotland during the 22 years of its existence? If he does so and discovers—as those of us who have examined it have already discovered—that few teachers who are members of that council bother to take part in the votes for its officers or pay any attention to it, will he be surprised by the fact that the General Teaching Council in Scotland has made no contribution whatsoever towards raising standards?

Mr. Byers: If the hon. Lady waits a week, she will see that the proposals contained in our consultation document differ substantially from the model of the General Teaching Council in Scotland. We shall establish such a council as one of our steps towards elevating teaching as a valued profession.

To address the problem of classroom teachers being promoted out of the classroom, the best teachers must be rewarded for staying in the classroom and not escaping from it. That is why we intend to introduce a new career grade—advanced skills teacher. Such teachers will not only provide high-quality teaching in their own school, but play a key role in raising standards, by supporting

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trainee teachers and those who are newly qualified and going through their induction year. My right hon. Friend the Secretary of State will shortly write to the School Teachers Review Body, asking it to consider how the new advanced skills teacher grade should be introduced.

Although the majority of teachers do a good job, teaching—like any other profession—includes a number of individuals who are not up to the job. Teachers who are failing to deliver must be identified. Hon. Members will know that, earlier this week, Ofsted announced that it intended to adopt a new method of grading teachers, with the present seven-grade system being replaced by one with only three grades. We believe that that change will be helpful, although, as it will be based on limited observation, it clearly has its limitations. We believe that the lead responsibility for identifying underperforming teachers must rest with the head teacher—that is the role of a head teacher who provides leadership in a school. The prime responsibility for identifying underperforming teachers does not rest with Ofsted.

We want a fair and robust regime that recognises success in the classroom, but will also act on failure. That is the hallmark of a profession that sets a premium on standards. In the minority of cases, where teachers are accused of incompetence, they must be given a chance to improve, including training where appropriate. If improvement does not occur, they must be removed from the classroom, to avoid any further damage to their pupils' education.

Mr. John Bercow (Buckingham): It is clear what the White Paper says, although it is not especially encouraging to read its contents. Will the Minister tell the House what time scale ideally he envisages between the identification of a failed teacher and his or her removal from the classroom?

Mr. Byers: I am coming to that point shortly. To achieve a system whereby we can remove the failing teacher from the classroom, we need speedy but fair procedures. That is clearly not the case under the present arrangements, whereby there are at least five separate stages before a teacher can be removed from the classroom. The procedure starts with an informal warning; there is then a formal oral warning, a written warning, a disciplinary hearing and then a final appeal. On average, the process takes 18 months. That is unacceptable. It is understandable that heads and governing bodies are often reluctant to embark on such a complex and time-consuming process. It simply has to change.

The hon. Member for Buckingham (Mr. Bercow) will be interested to learn that, earlier this week, I wrote to the national employers, asking them to establish a working group comprising themselves, the teaching unions and governors under the chairmanship of the Advisory, Conciliation and Arbitration Service, to identify a new procedure for dealing with incompetent teachers—one that is simple and fair and that can be completed within six months.

Mr. Willis: There is a great deal of concern among head teachers about those proposals. Heads object to the fact that the chief inspector of schools is to be required to tell them which of their teachers are failing. It is a failing head who has to be told that his teachers are failing, and the quicker we get Mr. Woodhead out of the process and empower heads to do the job, the better. There should be zero tolerance of Mr. Woodhead as there is zero tolerance in other areas.

There is a real problem in this respect. In many years' experience, I have had to deal with only a few failing teachers, and I am glad that the Minister recognises that most do a good job. However, in all those cases, the teacher went sick with a stress-related illness and ended up with an enhanced early-retirement package on health grounds. That is a source of great concern both to myself as a head teacher and to the rest of the teaching profession. Does the Minister propose to deal with that loophole as well?

Mr. Byers: The hon. Gentleman has long personal experience as head of a successful comprehensive in Leeds, and has identified a number of issues that I expect the working group to tackle. I have written to the employers about setting up that group. ACAS will chair it. I want the procedure for incompetent teachers to be completed within six months, and I have asked the group to report by 7 October.

I have also asked the group to consider a new category of gross incompetence, to which special fast-track procedures would apply. For example, it would apply if a teacher were unable to control a class of schoolchildren. Grossly incompetent teachers should be removed from the classroom and should have their case dealt with within weeks rather than months. A grossly incompetent pilot would not be allowed to remain in the cockpit of an aeroplane, and a grossly incompetent surgeon would not be allowed to remain in the operating theatre. Teachers should not be treated differently. A grossly incompetent teacher should not be allowed to remain in the classroom, adversely affecting the life chances of the children for whom he or she has responsibility.

We will, however, give support as well. Teachers need support, especially in their first year of teaching. We shall, therefore, introduce an induction year, which will provide structured support during that all-important first year of teaching. Schools will be expected to provide a planned induction programme, with guidance from the Teacher Training Agency. There is a case for confirming qualified teacher status only after the successful completion of the induction year.

The White Paper is about how we as a country and a people face the challenge of the new industrial revolution. The first industrial revolution started here and was based on investment in plant and machinery. The present revolution is about investment in human capital, learning and education. To compete in the global economy, to live in a civilised society and to develop the talents of all our children, we must unlock the potential of every young person. The White Paper provides the means to do precisely that. We are confident that, by improving standards and raising the quality of education, the proposals in the White Paper will command broad and popular support.

10.21 am

Mrs. Angela Browning (Tiverton and Honiton): As the Minister of State said, the Prime Minister has often claimed that education is the Government's top priority.

We applaud that; improving standards in our schools and giving children more opportunity was the top priority of the previous Conservative Government.

Ministers present the White Paper as heralding a new dawn in the country's education system. It seems a little strange, therefore, that the Government have chosen a Friday morning to debate their educational vision expressed in the White Paper. Friday is hardly the prime time in the parliamentary timetable. One would have hoped that it would merit a little more attention from the Government.

On school standards, there is much in the White Paper that we support. There is much in it that is familiar—very familiar—and which bears remarkable similarity to the policies that we have pursued and developed for the past 10 years, often in the face of bitter opposition from Labour Members, who frequently trotted through the No Lobby when those matters were before the House.

We particularly support the commitment in the White Paper to baseline assessments for all children starting in primary school and we welcome the proposals to extend Ofsted's powers of inspection to local education authorities and to reduce the period of notice that it gives schools for inspections. We welcome the extension of local management of schools. Indeed, we promised that in our manifesto. We also welcome the proposal to establish a professional headship qualification.

Of course, we back the Government's intention to make it easier to remove bad teachers. I was encouraged to hear the Minister start to spell out the details of that proposal. On first reading of the White Paper, it looks as though it could mean being stuck in arbitration for many months. I hope that he will resolve that problem.

We also welcome the commitment in the White Paper to our initiative for a core curriculum for teacher training colleges to ensure that teachers receive rigorous training. We planned for that to be introduced from this September and we are concerned that the Government would rather wait another year. That is wrong.

The fact that much of the language and content of the White Paper on educational standards can be welcomed by the Conservative Opposition is a sign of the sheer distance that the Labour party has travelled on education. The White Paper's embracing of testing, the national curriculum, the merits of Ofsted and the schools performance tables demonstrates that it is the mother of all U-turns, but we welcome it.

There are aspects of the White Paper that we do not welcome, however, and I shall spell them out. I hope that that will give the Under-Secretary the opportunity to put a little more detail behind some of the proposals when she replies. While "Excellence in schools" may contain some positive measures on improving standards, the real meat and substance would have the opposite effect.

At the heart of the White Paper and the Government's policies, lies a deep contradiction that should give cause for concern for schools, teachers, parents and hon. Members. The Government miss the point entirely when they claim that standards matter more than structures. The two go hand in hand. By making schools responsive to the wishes of parents and allowing professional teachers to chart the course of their schools, standards rise.

The Conservative Government provided the freedom for schools to develop their strengths and respond to the needs of their pupils and local communities. We placed responsibility for high standards and professional teaching firmly on individual schools. The White Paper will reverse that process. Individual schools will find that power and responsibility have been removed from them and returned once again to the hands of bureaucrats in county halls and to the Department for Education and Employment.

Although much of the detail of "Excellence in schools" remains unclear, the centralising strain running through the document is evident for all to see.

Ms Hodge: I have listened carefully to the hon. Lady and there seems to be a contradiction in what she is saying. On the one hand, she welcomed the increased local management of schools that the White Paper heralds—something which the previous Government failed to implement when they had the opportunity to do so in the Education Act 1997. Giving additional local management to schools enables them to run themselves better. It does not centralise, but decentralises.

Does the hon. Lady understand that when one decentralises, which is what the White Paper intends to do, it is incumbent on the Government and local authorities to ensure that standards are maintained by monitoring, not running, those schools?

Mrs. Browning: The hon. Lady is right. I said that we welcome local management of schools because it gives schools more decision-making powers. The contradiction is in the White Paper. It is warm on the sort of words that make people think that there will be decentralisation, but it is riddled—I am coming to examples if the hon. Lady will bide her time—with yet more powers transferred to local education authorities and the Department.

County halls will find that they have more power and more responsibilities and they will need more resources to remain at the centre with them. The Minister outlined many things that LEAs will have to do. I will refer to resources in a moment, because, with changes of this sort, there is always a cost attached.

Labour education policy has always been statist and egalitarian. Nothing has changed there in this White Paper. Labour just does a better job of disguising it. As a result of the White Paper, the structures of education in England and Wales will become centralised and more bureaucratic.

First, the White Paper proposes to increase the power and role of LEAs. The Government are trying to reassure us by saying that intervention will be in inverse proportion to success—the Minister repeated that this morning. However, the Government then set out proposals to require every school to produce an annual plan for improving its performance, which would need LEA approval. That requirement would give LEAs massive scope for intervening in schools, overruling head teachers if they took their schools in a direction that did not accord with the LEA's ethos.

Mr. Byers: I thought that I had made it clear in my speech—in any case, I want to place it on the record—that if there is a disagreement between a school and the local education authority with regard to the setting of targets, the local education authority will not impose its will. The disagreement will be registered, and it will be for the Secretary of State, in approving the plan,

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to determine whether the school's or the local education authority's view of the target should prevail. However, the important principle is that the targets will be challenging for the local authority and the individual school.

Mrs. Browning: That is exactly my point. If the LEA does not decide, the state will. It is statist. It is like a communist five-year plan. If the LEA does not agree, the Secretary of State will take the powers himself. That bodes ill, especially for the 1,100 grant-maintained schools. The hon. Gentleman may contradict me if he intends to make an exemption for GM schools; I am saying that the plans and targets of GM schools will require LEA clearance and approval, which would mean that those schools would return to the yoke of the local bureaucrats from whom they thought that they had escaped by voting for GM status. The White Paper is the writing on the wall for GM schools. I hope that the Minister will be honest enough to admit that.

The proposals in the White Paper would create a ridiculous situation. I told the Minister that in a television discussion yesterday, but I shall repeat my argument because I do not believe that he got the point. Of course, even in a good school there may be room for improvement, but that was not my argument. I was arguing that a school such as the London Oratory, which is a favourite school of many senior members of the Labour party, a very good school—

Mr. Byers: But could do better.

Mrs. Browning: I would not disagree with that. But what an anomaly it would be for such a school to be obliged to submit its improvement plans to a comparatively poorly performing LEA. The Oratory gets 70 per cent. A to C grade passes at GCSE. Its LEA, which will now have to approve or disapprove what it does, is the Hammersmith and Fulham local education authority, which presides over a 30 per cent. A to C grade pass rate at GCSE. It would be better if the Hammersmith and Fulham LEA submitted its plans to the Oratory so that standards might be improved.

LEAs will also be given a role in implementing the Government's policies to improve standards. Back in the driving seat of education, their role will be clear. It will be

"to help schools set and meet their targets."

The Government also intend LEAs to co-ordinate and allocate nursery places, believing that the abolition of nursery vouchers means that, instinctively, LEAs are better placed to make decisions than parents are. The White Paper not only puts LEAs back in the driving state of education, but will lead to a massive increase in bureaucracy, paperwork and state plans, none of which have ever raised standards or improved efficiency.

It would be interesting to be told by the Minister how much of the education standard spending assessment for the coming financial year will be clawed back and retained in county halls so that the LEAs may perform all those tasks. He has already mentioned that the Chancellor of the Exchequer provided additional money in the Budget for education, to countrywide acclaim. Expectations are running high in every school in the land. The Minister cannot do the loaves and little fishes act. Either the money will be required by the LEA to perform the additional tasks or it will go to the sharp end—into the classroom. Which is it to be? In what proportion will that money find its way into the classroom and how much of it will be retained by LEAs, as is their wont, to provide services from the centre?

The Government's latest buzz word, again mentioned by the Minister this morning, is "partnership". It crops up frequently in the White Paper. Reference is made to "a partnership for change", to "work in partnership" and to

"a partnership between Government and the education service",

to

"effective partnerships at local level",

to

"partnership with local schools"

and to "school-parent partnerships". We have even been told that

"good discipline also depends on partnership".

When the Government talk about partnership, they mean more paper, another consultation exercise, more bureaucracy and the return of state planning. For anyone working in the education service, the Government's "partnership for change" will mean a great deal more time and effort, churning out paper and mastering the detail of the latest guidelines to be issued by the Department for Education and Employment, to meet the endless stream of plans that the Government have in store for the education service.

I have already mentioned that every school will need to introduce its own plan. Every LEA will need an education development plan. Schools that want to diversify and become specialist sports or language schools, for instance, will have to produce a three-year plan. Nursery education will be subject to early years development plans—parents could not possibly be trusted—and the Department will instruct LEAs to come up with action plans to cut class sizes.

The White Paper is a bureaucrats' dream. They will love it at county hall—their futures are secured—but it is the nightmare of parents and schools.

Another disturbing feature of the White Paper is the power that will be given not only to LEAs, but to the Department and the Secretary of State. A few moments ago, when I said that the LEAs would claw back power, the Minister leapt to his feet and said that, oh no, if there were a dispute the Secretary of State would decide—as though we should take comfort from that.

Power in the education service will be massively centralised. Locally, the LEAs will start to take control and, nationally, the Department for Education and Employment will start to do so. Two bodies have been—

Mr. Willis: I cannot control myself any longer. I presume that the hon. Lady worked in a different Department in the Conservatives' years in office, because I seem to recall that the previous Government produced at least one major Act of Parliament on education every year and that they took it upon themselves to centralise more powers than any Government in the history of education since 1870. How does she reconcile that with the comments that she is now making?

Mrs. Browning: Very easily, because we were the party that allowed more schools to have control, and which gave

governing bodies and head teachers more control. We set up grant-maintained schools and city technology colleges. All those measures were opposed by the Opposition.

Mr. Willis: The Conservatives did that by diktat.

Mrs. Browning: No, not by diktat; by Divisions of the House, in which Labour Members and many of the hon. Gentleman's colleagues in the Liberal Democrat party trotted through the No Lobby. Now, suddenly, they tell us that they believed in those measures all the time.

I wish to discuss the two bodies that have been established since the general election, which will have national control of what goes on in our schools. On the face of it, the standards task force will meet and, drawing on a range of expertise, give advice to Ministers, but if it is to be instrumental in raising standards, it will need to overcome a great difficulty. It is obvious from the detail of the White Paper that it will have difficulty in balancing the need for raising standards and the drive for equality, which will act as a brake on raising standards.

Paragraph 12 on page 11 says:

"The demands for equality and increased opportunity in the 1950s and 1960s led to the introduction of comprehensive schools. All-in secondary schooling rightly became the normal pattern, but the search for equality of opportunity in some cases became a tendency to uniformity. The idea that all children had the same rights to develop their abilities led too easily to the doctrine that all had the same ability."

It is hardly surprising that the Government have ended up with uniformity, when their objective was equality. We shall watch closely to see how much diversity will emerge, and what they will do to ensure that children have the same rights to develop their abilities. Developing rights and equality is not quite the same as raising standards.

Ms Rachel Squire (Dunfermline, West) *indicated dissent.*

Mrs. Browning: The hon. Lady fails to realise that although equality sounds like a good, fair word—she is nodding—it has been demonstrated over the years that when equality becomes the pervasive requirement, as it clearly is for the Government, that entails looking beyond the individual child's ability. All too often, the result is a loss of opportunity for the individual child. When the individual child loses opportunity, a brake is put on standards, because those children who are able to go forward, as many are, fail to do so.

The hon. Lady is nodding. Let me give her an example from the White Paper. The Government say that they want to promote specialist schools. Whatever subject—sport, music, ballet, languages—such a school specialises in, one would imagine that in order to raise standards in that discipline, there would need to be some criteria at the point at which the child enters the school, in order for the pursuit of excellence to be realised when the child leaves the school.

Although the Government say that that is what they want, the White Paper states that, on entering a school, a child can be interviewed only on religious grounds. Suppose a specialist school for the arts—ballet and music, perhaps—were set up. Are we to believe—I am willing to be corrected by the Minister, if he has further information—the admission of children to such a school will be focused on egalitarian objectives? In other words, any child who wants to be a ballerina or tennis star can come to a specialist school, but those children cannot be interviewed at the age of 11 except to find out what their religion is.

The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris): That is silly.

Mrs. Browning: No, it is not silly. Let us hear what the admissions criteria will be for specialist schools. That is what it comes down to.

The White Paper is good on soft language, but there is a paucity of detail in it. The Government have the opportunity to spell out the detail to the House this morning. They have written the White Paper and published it; now let us have some detail.

Ms Hodge: I am genuinely shocked by what the hon. Lady has just said, and by her understanding of equality. I do not see anywhere in the White Paper or in what Ministers have said anything that suggests that equality means that every child will achieve the same. What we want, and what the Government are determined to achieve, is equality of opportunity, which the previous Government failed to achieved. That has left us with one of the worst educational records as a nation, especially among our OECD comparatives.

Mrs. Browning: With the indulgence of the House, I shall run the hon. Lady through my concern about admissions policy and the concept of equality to which the Government are determined to adhere.

The Government say in the White Paper that they will establish specialist schools in disciplines such as sport, ballet and languages, yet, in order to achieve excellence and opportunity for young people, they propose to curtail the opportunity for the schools to interview children as to the appropriateness of their admission into such a school. The White Paper states that children can be interviewed for admission only to discuss their religious affiliation. How will the Government raise standards in specialist schools if there are to be no admissions criteria?

Hon. Members are nodding behind the Minister for School Standards. I hope that he will clarify the matter before the debate is over. If there is to be no admissions policy to identify the potential tennis stars and prima ballerinas of the next generation, how will it be possible to raise standards, and how can specialist schools be successful? I hope that one of the Ministers will explain when winding up the debate.

We hear at national level about the standards and effectiveness unit. That has a huge remit to intervene throughout the education service. It is accountable to the Secretary of State. In the education service, it will develop an omnipresence, given that it will lead the "drive for school improvement", direct

"the implementation of the literacy and numeracy strategies",

and ensure that

"the Government's policy of zero tolerance of underperformance is applied to schools".

It will also implement and run the proposed 25 education action zones.

[Mrs. Browning]

The main problem with the centralised structure that the Government want to create will be its power and influence over what goes on in our schools. It will give educationalists and the followers of the latest theories and fads—as though we have not had enough of them—the opportunity to dream up their ideas in academic ivory towers. They will have the full support of the Department behind them.

It has been demonstrated that the White Paper is strong on warm words and overfills its quota of rhetoric. It is somewhat vague, however, and we are all anxious to hear the missing detail. I hope that Ministers will give us more detail this morning. To use the old cliché, the devil is in the detail, and the White Paper is positively satanic, given the number of devils lurking in the pages.

The White Paper dodges the fate of grammar schools; we want to hear what that is to be. It skirts over the Government's plans for grant-maintained schools. It reiterates the Government's pledge to maximum class sizes of 30 for five, six and seven-year-olds.

As the Minister said, the presumption is that the money from the soon-to-be-abolished assisted places scheme will be enough to pay for that pledge, but there is a fundamental dishonesty in that. As we have discussed in previous debates, the money from assisted places will not be enough to reduce class sizes. We have been saying that for a long time, and we have recently been joined by the Minister for Education and Industry, Scottish Office.

The Government should come clean and say whether they still believe that they will be able to deliver that commitment with assisted places money. If there is to be additional money from elsewhere, or if it is a matter not of funding, but of filling up the empty places in other schools, they should tell us. It is important that the point is clarified.

Mr. Byers: I am content to give that clarification. It is worth reminding hon. Members that the class size issue in Scotland is quite different from that in England and Wales. In Scotland, it is a conditions of service issue for individual teachers and is dealt with in that way. I can confirm our commitment to reducing class sizes for five, six and seven-year-olds and confirm that the money will be available as a result of the phasing out of the assisted places scheme.

A total of £100 million will have accrued by the turn of the century. Thereafter, there will be annual savings in excess of £100 million a year. The two independent surveys examining the costs of abolition of the assisted places scheme and reducing class sizes both come up with an annual figure of £65 million in terms of costs, so there is ample finance to honour our class size pledge. We will reduce class sizes for every five, six and seven-year-old.

Mrs. Browning: I am grateful to the Minister for stating that he still believes that he is on course to deliver that promise. I shall write to him for further clarification, unless he wishes to reply this morning. Many hon. Members represent large rural constituencies. It is common in many rural primary schools for teachers to teach across an age range, especially in the lower ages. What will happen to a reception class of 40 five and six-year-olds in a village school? If that class is to be reduced to 10 pupils, does it mean that people will not be able to access their local primary school in future, and may face the difficulty of bussing their children to other schools some distance away that older siblings may attend? Is the Minister suggesting that those primary schools will somehow get additional classrooms and additional teachers so that the original classes may be split and the numbers reduced? Those are the sorts of questions that people in rural areas are asking.

Even if the Government intend to provide an extra class and an extra teacher in such circumstances, I know that many village primary schools—which are old Victorian schools situated on very small campuses—could not accommodate an additional classroom if they wanted to. Will the Minister confirm his intentions? Will there be extra classrooms and teachers or will parents have to send their children away from their villages to schools elsewhere?

Mr. Byers: The hon. Lady has moved from the funding issue—where there is no problem—to wider issues of admissions policies and school organisation. She has touched on several practical questions that I have raised within the Department.

As part of the White Paper consultation, we shall publish a technical consultation paper—probably some time in August—that will examine the details of admissions policies and standard numbers for schools. In that consultation paper, we shall address specifically the concerns that the hon. Lady has raised today.

We are already discussing those matters with shire counties, particularly in the context of relatively small rural primary schools. I am very conscious of the issues involved. Small rural primary schools play a vital role in the wider community. The Department is considering carefully how we can assist those small primary schools not just to remain in existence, but to flourish. We are confident that our class size pledge will assist them in that endeavour. The details will be released if not today, certainly within the month.

Mrs. Browning: I hope that the hon. Gentleman will ensure that his officials send me a copy of that document. As shadow spokesperson and as a representative of a rural community, I shall wish to participate in the consultation exercise.

We do not have the details of many proposals in the Government's White Paper. As with the previous matter, I hope that the hon. Gentleman and his colleagues will ensure that full details are provided in good time. As I have said, the devil is in the detail.

The Opposition welcome parts of the White Paper, but many questions remain unanswered. For example, I do not believe that there is no cost attached to the White Paper. However, the document does not mention how the costings for its proposals will be accommodated. Will there be additional new money? Will it come from the additional funding announced by the Chancellor or will LEAs have to find it from existing resources?

As to the literacy and numeracy strategy, the White Paper mentions that consultants must be in place by April next year, and that LEAs will be charged with finding the resources needed to put those consultants in place. That funding must come from this year's budget. We want to know how the Minister has costed the

proposals and from which budgets the funding will come. How much do the Government estimate spending on training in order to prepare primary school teachers for the introduction of the literacy and numeracy strategy? How much do the Government envisage spending on the standards and effectiveness unit? How many extra staff must the Department employ in order to accommodate the unit's workload?

Have the Government considered the likely cost implications for LEAs of preparing education development plans, monitoring schools and scrutinising schools' annual plans? Will that not fuel LEA demands for more cash from central Government? How much will it cost to set up and manage an education action zone? The Government propose establishing specialist status schools in those zones. We must know the cost implications of that measure. Who will finance the general teaching council?

The White Paper refers also to independent schools offering children extensive facilities in sport, music and other arts. I am sure that the Minister is aware of newspaper comments yesterday regarding the likely role of the independent sector. It was suggested that if independent schools did not co-operate, their charitable status could be affected. The hon. Gentleman shakes his head: I seek his assurances on that point. Although I do not object to an independent school assisting with provision, I think that the hon. Gentleman should seek legal advice about penalties regarding that school's charitable status. I am not a lawyer, but I imagine that he may be on rather uncertain legal ground. Will he clarify his plans in that regard?

The Government must iron out many details and answer many questions. We believe that the general thrust of the White Paper is wrong in principle, as it will take powers from teachers, governing bodies and parents and give them to LEAs and the centre. The White Paper talks about improving standards and suggests that that may be achieved by central planning and bureaucratic diktat, but it cannot and will not.

10.56 am

Mr. Don Foster (Bath): I listened to the speech by the hon. Member for Tiverton and Honiton (Mrs. Browning) with a mixture of incredulity and admiration. I was particularly incredulous about her numerous criticisms of the White Paper's centralising tendencies. As my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) pointed out, the previous Government had a penchant for centralisation. However, my hon. Friend did not refer to the Education Reform Act 1988, which contained no fewer than 500 additional powers for the Secretary of State. If ever there were centralising tendencies, they were demonstrated by the previous Government. I do not believe that such tendencies are displayed in this White Paper.

I was also incredulous that although the hon. Lady attended the Convention of Local Education Authorities conference yesterday and listened to my speech, she was not visible to me. I share some of her concerns about the White Paper, but I adopt a different attitude to the paper overall. I am concerned about the devil in the detail—as the hon. Lady put it—but the Liberal Democrats support the broad thrust of the paper and I shall raise my concerns in that context. I got the impression from the hon. Lady's speech that she does not share my attitude.

I must admit also to a degree of admiration for the hon. Lady. She came up with one or two of the best one-liners that we have heard for some time during an education debate in this place. I share her view that the education budget announced by the Chancellor—which the education spokesmen have tried to defend—is an attempted loaves and fishes act which will not work. The hon. Lady referred also to the satanic nature of the White Paper. I commend her on her one-liners, if not on the broad thrust of her opposition to the White Paper.

Broadly speaking, my party welcomes the White Paper. We welcome particularly its frequent references to re-establishing partnership and its move away from the sterile debate about structures towards a debate about school improvements and children's needs. Many White Paper proposals enjoy our full support—for example, from the establishment of the general teaching council to the probationary year for new teachers, from the inclusion of citizenship and parenting in the curriculum to developing work-related training in schools, from baseline assessment to changes in the school leaving date.

The Minister will accept that in areas where there is general support between us there are still a number of details to be worked out. He referred to a technical consultation paper on class size reductions. We welcome the fact that those details will be consulted on, but it would be helpful if the Minister agreed to publish a list of the intended consultations, with a timetable.

Mr. Byers: I can give the hon. Gentleman an assurance that we shall publish a list identifying the measures in the White Paper that will be subject to their own consultation documents, and we shall provide a timetable to state when those consultation documents will be published.

Mr. Foster: I am most grateful for that assurance. I am sure that the House will receive the documents with interest when they are circulated.

I wish to raise some points about the White Paper. Perhaps the Minister or his colleagues will respond to them. If they are not able to answer all of them now, perhaps they will write to me with their responses.

I begin with early years education. The House will be well aware of my party's absolute commitment to ensuring high-quality early years education in this country. We would have gone further than the Government to ensure that it is available for three as well as four-year-olds as quickly as possible. I hope that we shall hear the Minister's views about the likely timetable for the provision of early years education for three and four-year-olds.

There is no clear statement in the White Paper about the Government's attitude to the provision of early years education through early entry into reception classes. It is my party's view that, generally, high quality is not easily provided through early entry into reception classes, which often do not deliver an appropriate curriculum. They certainly do not have the same staffing ratios, and they often do not have the facilities that we believe are necessary. I shall be grateful if the Minister will tell us the Government's view on that, and whether, in receiving various plans from local education authorities, they will ensure that the delivery mechanism is not predominantly through that route.

I should also be grateful to hear from the Minister whether the Government intend to announce the minimum space standards for early years education. Given the

[Mr. Foster]

Labour party's opposition—when it was in opposition—to the Conservative Government's abolition of minimum space standards, the House will be interested to know whether the Government intend to re-establish at all stages minimum space standards.

The Minister has, in a number of debates over the years that I have shared with him, made clear his view that early years education has an important additional function: the early identification of children with special education needs. Yet there is no reference in the White Paper to how that might be done. The House will be interested to know whether there are plans to issue guidance to those involved in early years education.

The shadow Minister raised her concerns about class size reductions. I share her view that the money to be released from the abolition of the assisted places scheme will be insufficient to deliver the Government's promise. I am encouraged to that view still further, I fear, by the Minister's answers to some of her questions. If the Government do not even know how they are to deliver that commitment, particularly in relation to the problems in rural areas, I find it very difficult to understand how they can be so categorical in their assurances that the money will be sufficient. I am pleased to hear that the Minister is taking on board the concerns that many people have, particularly about the problems in rural areas. What will happen when the 31st child in a particular age group arrives at a local village school and the nearest alternative is 10 miles away? That is the type of question that I hope the technical paper to which the Minister referred will address.

There are further concerns in relation to the commitment to reduce class sizes that were not touched on by the shadow Minister. The commitment is to reduce the class size for five, six and seven-year-olds, but the Minister will be well aware that, in many parts of the country there will be classes that contain four and five-year-olds. The House will wish to know whether the commitment will extend to reducing the class size for mixed-age classes which contain four and five-year-olds.

The Minister has my party's full support for the desire to lever up standards. We particularly welcomed the fact that he said that standards have to be levered up not just in schools that are known to be failing but in all schools, including those that are currently doing well. There is no doubt whatever that we must at all costs avoid complacency in our education system. It is vitally important that all of us—that is, Members of Parliament, the Department, Ofsted, school governors, head teachers, teachers, members of the local community, local education authorities, their officials, their elected members, and many more—work together, in partnership, to ensure that standards are raised everywhere.

To that end, my Liberal Democrat colleagues have no fear about proposals for every stage of that process to be monitored and inspected. It is very instructive for me to look at what some of my Liberal Democrat colleagues in local government have been doing to lever up standards for people in various situations. I was interested to read recently of an inspection of Cornwall local education authority, which submitted itself to be one of the trial inspections under the proposals for inspection by Ofsted. The report said:

"Most of the schools visited in the review are improving their standards and quality—some from a very high base. In most of these the LEA contribution has been influential and sometimes it has been critical."

Certainly Cornwall LEA has no fear of inspections to see what it is doing to raise standards.

I am delighted that even in very new local education authorities where Liberal Democrats have influence or control we are taking the issue of raising standards very seriously. Bournemouth borough council came into existence only from 1 April this year, but it has already set up plans for early learning centres. It plans to develop parenting skills, to set up learning centres for children already in schools, to establish an education directorate on lifelong learning, and to establish a training and support strategy for school improvements. I am sure that the Minister will welcome each and every one of those initiatives.

I also congratulate the local education authorities under Liberal Democrat influence that have been in operation for some time. Of those, I pick, for no particular reason, the London borough of Richmond on Thames. I am sure that the whole House will be delighted to know that when Richmond's chief education officer retired and the borough sought a replacement, the authority went out of its way to make clear in the advertisement how important standards were to it.

It is worth reflecting on what the advertisement said, because that picks up the Minister's point about partnership:

"Richmond upon Thames has a national reputation for the delivery of high quality educational services. This is the direct result of a commitment to planning and developing services by working in close partnership with headteachers, parents and governors. In this sense it is the product of a meeting of minds.

As the Council's lead officer on all educational matters, you will be responsible for shaping future policy development and ensuring high standards are maintained throughout the borough."

I am sure that the whole House, including the Minister, will welcome the form of words used in that advertisement.

The Government are keen to raise standards and intend to set tough targets both for LEAs and for schools. However, I have one big disappointment about the way in which the White Paper refers to targets. It appears constantly to assume the continued use of the existing SATs.

SATs are not an appropriate basis for the setting of targets; they are crude and simplistic. The debacle that has taken place over the marking of the English SATs this year illustrates the fact that they should not form the sole basis of a set of targets. I hope that we shall have assurances in due course about a detailed review of SATs. Certainly, I hope that targets will not be based on SATs alone.

As the Minister says, if we are to raise standards we need to focus on some of the key issues such as literacy and numeracy. However, I must tell him that, just as we would not plan the pedestrianisation of a city centre without first working out where the traffic is to go instead, it is difficult to tell teachers, "You must spend more time on this in the classroom," if we do not first work with them to slim down the national curriculum and find the additional space needed to deliver what we ask.

Of course, the Minister is right to say that we must examine areas of particular deprivation, areas with educational difficulties and other problems, and provide support for them. In that sense, the Government's proposals for education action zones may be an appropriate way forward. However, the assumption in the White Paper is that the zones will be set up only in inner cities. There are many rural communities with equal deprivation and equal need for such support.

Even if the Minister goes ahead with that form of support, he will still have to deal with the problems that used to exist with, for example, social priority allowances. Schools immediately outside the boundary of the designated area did not get the allowance, and felt deprived.

Even if the Government deal with that question, the House will still want assurances from the Minister that the money for education action zones will be new money, not top-sliced away from already deprived local education authorities that will not benefit from the zones.

We certainly agree with the Government, and with what is in the White Paper, about the need to involve parents. Indeed, the White Paper goes further and mentions the involvement of grandparents where possible. We also support proposals such as the establishment of family literary centres.

My party fully accepts the need to come to grips with the issue of parental responsibility, and to develop working relationships between schools and parents. We fully support the idea of working together to develop a home-school parental partnership agreement.

However, in opposition the Labour party proposed that when schools had established those agreements they would require parents to sign the contract before a child was allowed to enter the school. The White Paper is silent on that issue. I hope that the Minister will assure us that the new Government do not intend to carry that idea forward. It would add a wholly unacceptable dimension to admissions procedures—rather like asking a couple to sign a pre-nuptial agreement before they have even met.

Much is said about the raising of standards and partnership, and one of the ways in which we can ensure that that will happen is by making data freely available to all the partners. I therefore specifically ask the Minister to ensure that all the data held by Ofsted is made public, so that everyone has access to it and can use it in the development of plans. The information will, of course, help to check whether the chief inspector's sums add up, but there are also far more important reasons for wanting it to be made public.

The Minister will tell local education authorities, as he said today, that they are to play a key role to levering up standards in schools. I fully support him in his desire to reinvent and reinvigorate local education authorities, and to give them a key role in levering up standards, but, rightly, not the role of controlling schools. But that is an additional task. It is therefore vital that we ensure that LEAs, as well as schools, are given the funds that they require to do the job that they have been given.

My hon. Friend the Member for Harrogate and Knaresborough rightly pointed out that local education authority advisory services have been decimated, and the few remaining staff spend much of their time bidding for Ofsted inspections, with little or no time to help their local schools.

If LEAs are to do the task that the Minister has rightly set them, they, too, must be funded to do it. So I hope that we shall no longer have sterile debates about what the ratio of delegation between schools and LEAs is to be—whether it is 85:15, 90:10 or even, as the Secretary of State once suggested, 95:5.

In reviewing standard spending assessments and the local management of schools procedures, we should identify what the key roles of schools and LEAs are, and work out what they need to carry them out. Then there should be 100 per cent. funding and 100 per cent. funding, not an arbitrary split of some undefined central pot. I hope that that will be borne in mind when the Secretary of State considers the SSA and LMS proposals.

I have two or three more points to raise quickly with the Minister. I welcome the proposal in the White Paper to reduce red tape and bureaucracy. However, the hon. Member for Tiverton and Honiton, the shadow Minister, pointed out that the White Paper itself contains several measures that will add burdens to the work of individual schools and local education authorities.

I therefore hope that, in reviewing the impact of the proposals, the Minister will have particular regard to the many two and three-teacher schools with teaching heads. If the issue is not properly considered, the burden for them could be intolerable.

As for the proposals affecting teachers, the Government say that they are keen to raise standards by tackling initial teacher training. I must tell the Minister, perhaps more in sorrow than in anything else, that I am surprised that he is still not prepared to deliver what was, in effect, a pledge in all the speeches made over the past few years on that subject, in which the Labour party made clear its absolute opposition to school-centred initial teacher training. Yet now that Labour is in government it seems totally unwilling to do anything about the abolition of school-centred initial teacher training.

The Minister is, however, prepared to do a number of things that we welcome, such as the setting up of the general teaching council, which I have mentioned already. We also welcome the proposal to reward excellent teaching. The proposal to set up an advanced skills teacher will, we think, be one which we can support, but there is considerable confusion about it at present. Some people are not even certain whether the advanced skills teacher is to be a post or an award. If someone becomes an advanced skills teacher and moves to a different school, do they continue to be an advanced skills teacher? Clarification would be very helpful.

Mr. Byers: It is important as we set up the new career grade of the advanced skills teacher that we get it right. As I said in my speech, my right hon. Friend the Secretary of State will shortly be writing to the School Teachers Review Body and we shall expect it to do some of the detailed work on the practicalities of establishing such a grade, which will address a number of the issues about whether the advanced skills teacher is a post or an individual. It would be premature today to close down any options. We will ask the review body to give detailed consideration, to consult interested parties and then to bring forward proposals for the Secretary of State to consider.

Mr. Foster: I am sure that the House is grateful for that explanation and we look forward to hearing further details.

[Mr. Foster]

There are two sections of the White Paper that my party finds particularly disappointing. The first relates to school admissions, which is the black hole in the White Paper. I understand that there is to be a further consultation paper on the issue and I hope that that will be published soon because in many ways, the question of admissions is central to many of the other parts of the White Paper. Without knowing the Government's intentions in relation to admissions procedures, it is difficult to address some of the other questions. How will admissions procedures interrelate with specialist schools and education action zones? What do the Government intend to do about the difficulties that result from the Greenwich judgment?

The White Paper is, however, slightly clearer than the hon. Member for Tiverton and Honiton gave it credit for. She spent a good deal of her speech going on about the admissions policy in relation to specialist schools. I do not want to take up the House's time in reading out the relevant section to her, so I recommend that she reads paragraph 33 on page 71 of the White Paper. I am surprised that the Minister did not draw her attention to that section, so I am doing it for him. Paragraph 33 answers all the hon. Lady's questions in a single sentence, so she could have left out that part of her speech relatively easily.

The worst part of the White Paper is the section on the status of schools. The Minister will be well aware of my party's clear view that the introduction of grant-maintained schools created a divisive, two-tier education system. We wanted grant-maintained schools to be brought back into the light-touch local education authorities. The Minister has not been prepared to accept that and has now established a bolthole for former GM schools—the foundation schools. Those boltholes for former GM schools will mean that they are outside the local education authorities. They will still be involved in many of the activities of the LEA, as the White Paper makes clear. If some schools are holding on to all their assets and employing their teachers directly, they will be very different from schools where the assets are held by the LEA and the staff are employed by the LEA. Strategic planning involving both types of schools as well as the aided schools will be very difficult.

Our big concern is that it is proposed in the White Paper that existing local education authority schools will be able, even under a Labour Government, to opt out of the LEA and into foundation school status. We fear that many schools will do that just to avoid what they fear may be damaging local education authority reorganisation schemes. How is that to be handled? The White Paper is silent about how the issue of strategic planning is to be resolved. Focus groups may be suggested as a way forward, but we would be unhappy with that. The Secretary of State may come forward with proposals for a planning application procedure, but that strikes us as legalistic, time consuming and undemocratic. The best people to make decisions on strategic planning are the LEAs and that is what we would much prefer to see.

I have raised those points in the spirit of support for the broad thrust and principle of the White Paper and I assure the Minister that my party will work with him and the Government generally to bring about the raising of standards in our schools which is the kernel of the White Paper. All of us should aim to get on with that as quickly as possible because our children deserve nothing less.

11.25 am

Mr. Tony McNulty (Harrow, East): I congratulate the hon. Member for Bath (Mr. Foster) on a constructive and responsible contribution to the debate, which contrasted with that made by the hon. Member for Tiverton and Honiton (Mrs. Browning). When preparing for the debate, I was reminded of a conference I was at recently where Tim Brighouse gave a speech in which he talked about energy creators and energy consumers. We have seen from the Conservatives, in terms of their response to the White Paper, a lot of energy consumption.

Mr. Brighouse described the energy consumers as nasty little men and women who sat in the corner of the staff room saying, any time something was announced, "No, can't do that. Haven't got the resources. There must be another way. There is nothing wrong with the way we are doing it already." Such people generally dampen down any initiative in schools. The energy creators said, "Great! How can we do it? If we haven't got the resources, what can we prioritise? How can we do what we already do better to make room to go down this road?" Such people are really enthused by the new initiatives, rather than dampening them down.

We have seen from newspapers, teachers and local government associations—in fact, from everybody bar the Conservatives—a response to the White Paper that has shown real energy creation. As the hon. Member for Bath has just said, although people may not agree with all of the White Paper, they are asking how we can move on, how we can raise standards, how we can excel and how we can do the best for our children.

When my right hon. Friend the Secretary of State made his statement on the White Paper, the response from the shadow Secretary of State, the right hon. Member for Charnwood (Mr. Dorrell), was instructive. It was energy consumption, and he seemed to be saying, "You can't do that. Where are the resources? Where is the money? All the best ideas are our ideas anyway." He did not welcome anything and he did not say that he would put aside partisan considerations because what happens in education and what happens to our children matter most. He looked at the matter only from a partisan angle. What we got today was the Browning Version of that. The hon. Member for Tiverton and Honiton did things down, rather than looking at how we could move forward together on a consensual basis, as we can with this White Paper.

Mrs. Laing: My hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) whole-heartedly welcomed quite a lot of the proposals in the White Paper, simply because they are a version of Conservative policy, reflecting exactly the energy production that has gone on in education for the past 18 years.

Mr. McNulty: Whatever welcome the hon. Member for Tiverton and Honiton gave in the early stages was lost in the partisan ramblings that followed, some of which I noted down. She talked about the mother of all U-turns and about satanic influences. The comment that I liked best, because it harked back to old memories, was about statist five-year plans. Apparently my hon. Friend the

Minister is the Stalin of Sanctuary buildings. That comment may please some older colleagues who look back with far greater reverence than I do to the old days.

The shame of it all is that, even at this stage, a partisan flavour is being introduced into the debate. Even the most right-wing Conservative—I am not casting aspersions on the three Conservative Members who are with us today—would agree that education matters, that education means something to all our children and that the state has a role to play. Most of us start from that and, if the devil is in the detail, perhaps the divergence of opinions is in the detail, too. If we agree with the guiding principles, that is at least a starting point on which to build a consensus. Many hon. Members do agree with those. Certainly people in the education service outside the House do. There are few siren voices in the education service when those people consider the real principles that underlie the White Paper, which has been welcomed in all quarters.

I have already had a meeting, the first of many, with some secondary and primary head teachers in Harrow, which, I happily say, as I said in my maiden speech, was for some eight of the 11 years I was on the council an extremely successful local education authority. It was run by Conservatives, with, so long as it stayed on the path that it was on, full support from the Labour group, of which I was the leader, and the Liberal Democrats.

Harrow has a vibrant LEA which works in partnership with all the key players in the education service in the borough. Because the partisan dimension was stripped out of the education service in Harrow, it was allowed to get on with the job and perform as well as it did, regularly turning in 55 per cent. plus in terms of GCSE results, always vying with Richmond, which was mentioned earlier, to be the leading London borough.

One reading of the White Paper may suggest that it does not offer much to Harrow, because Harrow is already doing all that it needs to do at the moment—it is nice, leafy suburbia and is meeting all the education needs of its children. I was extremely pleased to hear the Minister say that that is not the case. As has been said by others, and certainly by the head teachers whom I met last Monday, all schools—every school—can and should improve.

The head teachers also welcomed the guiding principles in the White Paper. I have to say, if I were reporting back honestly from the meeting, that, yes, they were a wee bit jaundiced and there were perhaps elements of cynicism, but, given where they have been for the past 18 years, I am not surprised. They are still waiting for the detail. I am sure that they will be extremely surprised to learn that, for the first time in a long while, they will have a White Paper on which there will be full and comprehensive consultation and that proper note will be taken of that consultation. They welcome the consultation process, tight though it is around either side of the summer holidays, and know that it will be demonstrably different from what has happened in the past.

All the head teachers welcomed the six underlying principles and the focus, which is there—I think that the shadow Minister is entirely wrong—on standards, partnership and excellence. Above all, they welcomed the inclusive nature of the document and its key underlying principle that all children and all schools matter.

Over the past 10 weeks or so, we have already seen that the first of those principles—that education is at the heart of Government—is not merely empty rhetoric. We have shown by our actions since the Queen's Speech that that is a real principle, which will guide the Government over the life of this Parliament, up to and beyond the recess. There is growing recognition—certainly in the education service and among parents and governors—that the Government should provide the overall framework for the education service and that head teachers, teachers, parents, LEAs and governors should work together locally to deliver that service, but it must be within a strategic and planned context, which is why the role of LEAs is so important.

One of the key difficulties that the Conservatives had over their time in government was in the notion that they could introduce numerous reforms, and the LEA, rather in the old Marxist sense, would wither away on the vine and no longer be necessary. Even they realised that that was not the logical extension of their reforms and that the LEA does, and must, have a key role.

It is easy to pooh-pooh the notion of partnership and to say that it is mentioned this many times or that many times in the document, but partnership is crucial. To date, it has been the key to the success of education in Harrow and it will continue to be so. The new partnership announced in the White Paper is the foundation on which education success and improvement throughout the country will be built.

It was instructive that, when talking in any detail about schools, I do not think that the shadow Minister ever mentioned children. I apologise up front if she did. When she talked about schools, she specifically mentioned assisted places, grant-maintained schools and grammar schools. In the wider scheme of things, those are but a pin-prick on the national education service and are rooted in privilege. Perhaps her comments would have been listened to with more respect if she had spoken about all our schools, the comprehensive nature of our education service and what it does for our children throughout the country.

What this White Paper is not about, rightly, is elitist selection for the few and mediocrity, or whatever else is left, for the many. That is important. It is not—although perhaps it has already become a cliché—a policy cliché to talk about the many and the few. The White Paper recognises, as I have said, that every single school can and must improve and that—this is not controversial in any way—no school is good enough. For some people, that might sound strange or offensive, but anyone who works in and is rooted in education will accept that straight away.

Of course, no school is good enough. One can and must get away from any notion of complacency. I certainly will in terms of that suburban version of complacency that says, "Well, 55 per cent. in Harrow is wonderful. We'll try to get 56 per cent. next year. If we get 50, no one is going to complain. It is still better than any number of other LEAs every year bar three or four." As a councillor, I have railed against that, because complacency, along with ignorance, is the last thing that our children need.

There is, therefore, room for improvement in schools in Harrow, Harrogate and Hackney and in all other LEAs. Everyone accepts that and that is at the core of the White Paper. That is why its emphasis on standards is so important. All schools and all LEAs must improve on their last best performance. I have a worry that, until now,

[Mr. McNulty]

there has been a notion that suburban mediocrity will do—hit somewhere in the 50s and it is okay and does not matter—and that, at the other end, the Darrens and Sharons cannot achieve; that is an offensive phrase heard at a recent teachers' conference. There is an acceptance that, in some LEAs, because of deprivation and socio-economic conditions, 20 per cent. is good enough. Well, it is not. It is not good enough in inner-London LEAs and 50 or 60 per cent. is not good enough in outer-London suburban schools or in the best LEAs. All can and should improve.

The White Paper—it is not mistitled—is about excellence in all schools, not excellence in some schools or in some schools that get 10 per cent. of their children through. It is not about giving children in deprived areas a few bob more and a few structures to help them out and to raise expectations; it is about excellence in all areas in terms of children's performance.

It is right, too, that the White Paper focuses on standards and not structures. The shadow Minister is right, to some extent, to say that the two go together. We cannot have one without the other. I was going to say we cannot have eggs without bacon—we can, but it is not as nice. The point is that structures and standards both matter. With the best will in the world, over the past 18 years we have had some sort of anally retentive fixation with structures and how to serve the most privileged within those structures, and standards have fallen off the agenda. That is the key. There is a relationship between standards and structures. All our children can benefit by standards going up, but we must define the structures. That is the right way around for that relationship.

Education is not about a grammar school in every town for the top 5 per cent. of our children; it is about the highest possible performance by education services for all schools. At its core, that requires a light, strategically focused touch by LEAs to support that in each area. I nearly made a Freudian slip: I almost said control that in each area, but I am talking about support.

LEAs will welcome a debate that focuses on school improvement and outlines how they will intervene, but not interfere, by working with all partners. The hon. Member for Bath was right to say that there could be an aberration. For my sins, I am a member of a European Standing Committee and I get thick piles of paperwork. Do we want a White Paper that is the size of the "Children's Encyclopaedia Britannica", all 30 volumes of it, going out to consultation? That is what would be required for all the subsequent detail.

There must be clarity about the role of LEAs, but there is a need for strategic underpinning. That is a key element, but only one element, in the overall partnership that is needed to secure our children's future. I think that those issues will be elaborated in the consultation. Although it is useful shorthand, the phrase "zero tolerance" is rather ugly and clumsy, but that is what we are about if we agree that all schools can and should improve. I should rather be more positive and say that all must excel and improve and that there must be robust intolerance of failure.

All partners have a role in a new and mutually supportive partnership. The shadow Minister is fundamentally wrong. I agree that all those partners have rights, but they also have responsibilities and they must be accountable. The White Paper goes into some detail on that. We rightly afford parents codified rights and responsibilities and they must be held accountable for those. The same applies to teachers for what they do in the classroom, to heads in the context of their management of schools and to LEAs.

None of those key partners, given the seriousness with which they view education, will worry about being held accountable for their roles. LEAs will certainly not worry about that. The work of the best LEAs shows that they would welcome the notion of an external review and some of them sought to carry out their own external reviews long before such reviews became policies.

The LEAs are publicly elected bodies charged with looking after public money. They must be accountable for education development plans and be subject to external review by the Office for Standards in Education and the Audit Commission. The task forces, the units that are to be set up and the Government should also be accountable. We shall be accountable: if we wax lyrical and focus on and emphasise education for the next four or five years, parents will know, come 2002 or in whatever year the next election is held, whether we have delivered and will judge us on that. We shall be happy to go into that election on our record.

The White Paper is about new partnerships and new deals and it is a shame that the shadow Minister chose to adopt a partisan, knockabout party conference mode, rather than treating the subject more seriously. There are elements for concern in the document, but it is about future partnerships, with all the key players energised to play a role in an education service that matters. I am surprised that the shadow Minister did not notice that the White Paper plainly states that LEAs are not to be afforded a direct, managerial role, which would have been a return to a "Stephen the Stalinist" little plan. The document clearly states that LEAs must earn their place in the partnership. That is right, and LEAs recognise it.

There is a new optimism. It is easy to be cynical and to personalise the debate by speaking about a key personality in a senior role in education who is not necessarily elected, or to pass motions against such people at National Association of Head Teachers conferences. It is easy to be petulant and sceptical and to say that we want everything up front now and cannot wait because we have waited long enough. It is right for the Government to exhort all the key partners to join in the success that will flow from the White Paper. There is no room for smugness or complacency in the Harrows, Hackneys or the Harrogates.

The core elements for a new dawn for education are in the White Paper. We must all work together to avoid complacency and we must shun mediocrity, which in the past has often served as a measure of performance. All partners should start from the premise that they should never write off a child like Darren or Sharon.

It is not too late for Conservatives to leave their partisan mode. I know that they learn in opposition, because I saw that happening in Harrow in 1994 when they were wiped out. Only 16 of 63 were left, and for a while they wandered around looking a bit lost. Eventually, they found a role that occasionally was productive. Education is far too important for people to drop back into partisan roles. We need to work together within the framework of the White Paper to do the best for our children.

It has been said that the targets in the White Paper and those in pronouncements since 1 May are too ambitious. I have been in education for 14 years, albeit in higher education, and I can say that one can never be over-ambitious. If the aim is to excel, one tries to stretch a little bit beyond what might seem to be the easiest and simplest option. Let us grasp the "passion in action", as *The Times Educational Supplement* characterised it last week, that is outlined in the document and let an energised can-do teaching profession get on with the job that it knows best, which is teaching; our children to excel and stretching for more. If teaching is not about stretching for more, the job is not being done.

Excellence in all our schools is not simply about ambition: it is about rights, and our children have a right to expect excellence in all schools. We must not fail them because education matters to everyone. If we go forward together—I do not mean everyone but the Conservatives—children and parents will thank us. That is the way forward and it is the foundation that is outlined in the White Paper.

11.47 am

Mr. Piers Merchant (Beckenham): The White Paper boasts that it is the Government's first and it makes a virtue of excellence and standards. If it reflects the standard of subsequent White Papers, I am severely disappointed. It raises more questions than it answers. Rather than being a policy paper, it is more of an examination paper; that is peculiar for a White Paper and leaves an air of mystery over many of the most important areas of education policy. Many of the policies that are revealed seem to be rather contradictory.

There are some extremely important issues to tackle, and I should have thought that the Government, rather than hurrying as they have done in an effort to produce a glossy publication, would feel it better to wait a while, consult more widely and think through the subject in more detail before publishing the White Paper. We could have got our teeth into a more serious, detailed and heavyweight document, which would have tackled the real problems that exist in education.

I do not want to be uncharitable towards the Government. They said that they would prioritise education, and we shall see whether that happens. I shall keep an open mind. Education needs prioritising, but the White Paper does not make it clear whether that will happen.

I do not want to throw away the entire contents of the White Paper, although I have criticisms of many parts of it. There are positive aspects, many of which are built on the work of the previous Government: the White Paper, at least in rhetoric, still supports the emphasis on standards, diversity and choice. I welcome the baseline assessment for new entrants to primary schools; the emphasis on improving standards of literacy and numeracy in 11-year-olds; the extension of local management of schools; the extension of Ofsted inspections to local education authorities; and the new emphasis on ensuring that poorer teachers are weeded out and that heads have proper qualifications.

On page 66, we read:

"Our priority is standards, not structures",

yet further down the same page we find the ominous phrase, "a new framework". In other words, having talked about standards, the White Paper puts the emphasis on structure, reorganisation, bureaucracy, paperwork and centralisation, rather than on what really matters: what happens at the chalk face.

In detail, some of the planned reorganisation seems even more stark. We get the distinct impression that decisions on education will be given to bureaucrats rather than professionals, to councillors rather than parents and governing bodies. That will most definitely be to the detriment of education and schools.

That process will carry in its train centralisation of the kind so ably referred to by my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning), in which local education authorities will have to come up with education development plans. What that will achieve remains to be seen; it will certainly involve a great deal of resources, time, effort and cost, and will be another external influence on schools that have in the past few years had the freedom to develop and improve themselves.

We read about the annual plan that schools will have to produce, but in which LEAs will clearly intervene—another sign of a return to centralisation. If the new centralisation involved in giving extra powers to LEAs is not enough, the Department, as always, ends up grasping the lion's share of decision making and intervention, with its plethora of new units and proposed abilities to intervene.

Mr. Willis: I have difficulty following the hon. Gentleman's argument. Under the previous Government's arrangements, Ofsted was to inspect schools once every six years, so, in theory, there would be five years without anyone inspecting standards in those schools. The Government propose that LEAs should play an important role, but if, as the hon. Gentleman seems to want, that did not happen, who would maintain standards? Without an overall plan, what could those standards be judged against?

Mr. Merchant: There is a massive difference between inspections as part of a system that ensures that schools themselves maintain standards and reach for the highest of their own volition, and a system that imposes organisation from without and tells schools and the professionals within them how to manage and how to teach.

As I understand the White Paper, it seeks to move a long way from the laudable objective of having proper systems of inspection towards systems of control and direction. I know that the rhetoric is about partnership, a light touch, advice and so on, but the essence of the detail looks to me as if it is going back to the days when the power lay with the LEA or the Department. That is the real danger in the White Paper.

I am anxious not to prejudge the Government and I am trying to read between the lines of what is, in fact, an extremely vague document. It leaves some important areas of education policy extremely vague. For example, the future of grant-maintained and grammar schools is dealt with in a mere paragraph. There is also much vagueness on admissions policy, problems of exclusion and other matters.

I welcome the emphasis on excellence and standards. I hope that it is not merely rhetoric. I come from an area where standards are high and there is diversity and choice. That is welcomed by the vast majority of parents.

[Mr. Merchant]

I welcome the idea that the same excellence should be extended to other parts of the country where local education authorities have not been so successful.

Mr. James Wray (Glasgow, Baillieston): The hon. Gentleman says that he comes from an area where standards are high. Does he agree that the Conservative Government, who were in power for 18 years, created nothing but fragmentation and inequality, with a top-heavy emphasis on assisted places? While millions of pounds were being paid out, they were trying to save thousands of pounds in Labour-controlled authorities and closing schools down. Does he agree that, because of lack of investment in education, we have inherited a dreadful situation and we have to do something about it?

Mr. Merchant: I do not accept that. From my experience, high standards have been achieved in education and those standards have improved immeasurably in more than 10 years because of the previous Government's efforts. I accept, however, that those standards must continue to improve, because they are vital to our future. That is why I do not offer a blanket condemnation of the White Paper; if the Government are serious about improving standards, I welcome it.

I was merely arguing that I should like the high standards achieved in my constituency to be mirrored in other parts of the country where, for one reason or another, it has not been possible to achieve such standards. I do not believe that that will be done through rigid centralisation; it will be done by enabling the schools and the professionals to be free to do their best to produce the quality of education that best suits the children.

It is a shame that although the White Paper mentions Bromley, it does not draw attention to its high standards, but refers to the confusion surrounding its admissions policy. I accept that there are difficulties, but the White Paper misinterprets the reasons for that. It fails to mention that the principal cause of the problem in Bromley is that its schools are so popular that they attract a large number of pupils from neighbouring boroughs, where, over the years, Labour-controlled local authorities have been unable to offer education of the same quality.

According to next year's admissions, 820 out-of-borough pupils will attend Bromley schools. That is a result of the Greenwich judgment, which, as hon. Members are aware, prevents schools from exercising any preference for children from their own locality. The Greenwich judgment is at the heart of the admissions difficulties of Bromley. The Government need to consider it carefully and attempt to find a solution. I should prefer the judgment to be overruled, but that requires primary legislation. I should be interested to hear what the Government have to say about that. If they are not prepared to introduce such legislation, they will have to consider alternative solutions to the problem, which will inevitably grow year after year.

The sheer number of pupils—educational refugees—from other boroughs who attend Bromley's schools renders the White Paper's aspirations about the community nonsense. It repeatedly argues that the community should be directly involved in the provision of local education, but the community of Bromley and of my constituency, Beckenham, is losing out as a result of the Greenwich judgment, which has distorted and toppled any ability to maintain a coherent admissions system.

I should like a system that operates fairly, transparently and swiftly. It breaks my heart that I am visited every year by parents whose children still, this late in the academic year, do not have a place for next year. That problem is getting worse every year. I would far rather that we had an admissions system that delivered swift decisions much earlier in the year, and which perhaps limited the options that are currently available, than one which, year on year, is confused and changeable. Parents are left confused and uncertain. Their children are left, this late in the academic year, without a secondary school place; in the worst cases, every other child in the primary school has a place.

The Government should consider whether it is possible legally for secondary schools to use a primary school feeder system as a possible means of overcoming the confusion caused by the Greenwich judgment. In the past, I have been advised by departmental officials that unless a feeder system is already in place, its establishment might not be legal as a result of the Greenwich judgment. I should be interested to hear the Minister's comments on that.

I should like an admissions system that more or less can guarantee every child a place at the local school, in the absence of any other [illegible], but which does not require the child to go to that local school. It should offer choice and diversity should parents and children want it. That would offer the best of both worlds—choice and diversity would be available to parents, as it is to parents in my borough, but children would also be guaranteed a place. That would prevent local children from being pushed out of the borough's schools, as they are now, by children crossing the boundary from other boroughs.

I do not want to be parochial and I am not suggesting that I would not want any children from other boroughs attending schools in Bromley. I can see that that flow offers positive advantages to everyone. I do not want to have a rigid system, but if community is to mean anything, if parents are to have a say and if we are to have a smooth-running, coherent admissions system, we need clarity. The problem involves admittedly limited areas, but, unfortunately, my constituents have been especially affected.

Sadly, education has always been a political football. I would most like from the new Government a break with the past and an attempt to forge more of an all-party consensus in education, to achieve stability in the system in the interests of standards and of the more positive things that the Government preach in their White Paper. I fear, however, that lurking behind their positive words is the dragon of state planning, of a rigid system enforced on all schools for reasons of political prejudice, correctness and ideology. I hope that they will not be, but I fear that the Government will be increasingly dragged down that road, as all Labour Governments have been in the past on education. If they fail to make a break with the past, they will find not only that their aspirations for standards, excellence and so on will fail, but that they will reap the condemnation of people of all political views among the electorate.

Parents are not interested in political ideology, correctness or theories on education; they are interested in their children getting the maximum quality of education

and a choice that enables them to match the needs of their children with what education should provide. That is what the Government should aim to achieve.

12.6 pm

Mr. Keith Darvill (Upminster): I welcome the White Paper, "Excellence in schools" and the fact that it has been prepared and presented so quickly. I associate myself with the points made by my hon. Friend the Member for Harrow, East (Mr. McNulty).

I have had some experience in this area, although I am not a teacher. I have been a school governor for more than 15 years, working with both primary and secondary schools and I have been governor of a sixth-form college. I have chaired an independent appeals committee. Drawing on those experiences, as well as on my experience as a parent, I have some contribution to make to the debate.

On the points raised by the hon. Member for Beckenham (Mr. Merchant), one problem of the past 18 years has been the hijacking by the Conservative party of the word "choice" in education. All parents want choice for their children and when they look for schools, they make those choices. In reality, there are few choices. The White Paper tries to make choice more relevant, by ensuring that standards are improved across the board. Grant-maintained schools, the few grammar schools and the assisted places scheme do not affect the majority of parents. The White Paper aims to do that.

School governors play an important role, but not much has been said about it today. It would be useful to focus on their role, because there are more than 300,000 of them. We have already spoken about partnership, and that genuinely applies to education. Opposition Members have suggested that the White Paper contains an element of statism. I do not agree. That is certainly not relevant to the work of the school governors.

School governors welcome the local management of schools and the delegation of school budgets. They like to influence the planning and management of schools. Over the years, governors have contributed a great deal to many schools, but schools also require the support of their local education authorities. We need to get the balance right. I hope that the Opposition agree. In my experience of working with Conservative representatives on school governing bodies and local education authorities, there is usually a great deal of consensus. Most school governors and members of local education committees work hard for the benefit of children in the borough. Members of LEAs often have specialist skills, and schools rely on having quick and easy access to their expertise. If we diffuse the structure of our education system, we may lose much of that expertise, which is a great advantage.

Local political parties stand on their education policies and they go to the electorate regularly. To that extent, they are accountable. There is much to be said for developing the partnership between everyone involved in education—local education authorities, schools and school governing bodies. Through partnership, accountability and placing emphasis on standards, we can make a serious attack on the inherent problems in our education system. I am sure that the bipartisan approach of many LEAs is the best way forward.

I am also concerned about the burden being placed on school governors. As a school governor, I often receive big wodges of paper. All school governors are voluntary and most of them have other jobs. They have to prepare for and attend meetings at schools and put decisions into effect. If we place additional burdens on them, they will become less effective.

The position of school governors has changed remarkably over the years. When I first became a school governor 17 or 18 years ago, the termly meetings used to consist of a report from the head teacher and a discussion of events at the school, followed by some light chat. The meetings would take about two hours. Now, we meet three or four times a term. The board of governors might be broken down into sub-committees and working parties involved in budgets, the maintenance of premises, and so on. If legislation continues to place more burdens on school governors, there is a real danger that schools will not get the support that they need. We must consider that when we develop the detailed legislative proposals that will result from the White Paper.

There are also dangers in involving school governors in the achievement of standards in schools. The White Paper specifically states that governors should demand various pieces of information from head teachers, in an attempt to drive up standards. I welcome the main thrust of the White Paper, but there is a danger that school governors will become too involved in the day-to-day management of schools. There has always been a grey area between the management of schools and the responsibilities of school governors. In my view, a code of practice should be produced and sent to all schools. Of course, it should be the subject of consultation first, but it would be helpful if the White Paper resulted in a code of practice.

I have one or two other points to raise. Since the election, I have continued to visit schools in my constituency and to seek the views of teachers generally. There is a danger that the messages that we send to schools and the language that we use will attack teacher morale. Although there is clearly a need to attack low standards where they exist, that must be done sensitively, because teachers worry about how action taken by this place, parents, and local authorities undermines their status. We must give careful consideration to that issue.

The assessment of children when they first go to school is an important move. I should like there to be much earlier screening, especially for learning difficulties such as dyslexia. The learning difficulties of many children throughout the country are not identified early enough in their school career. Local authorities and schools should become more responsible for that. Identification of such problems and the training of teachers to identify them is an important matter.

I have already mentioned the role of local education authorities. Some of the rhetoric used by Conservative Members sends out the wrong messages. Local education authorities have a firm role to play in the development of our schools, and I am sure that they will continue to play it.

I welcome the White Paper, although I have slight reservations about the consultation period. The paper went out last week and hit local education authorities and schools just as schools were breaking up for the summer holidays. For the consultation to be wide ranging, it needs input from LEA committees and school governing bodies. They will be coming back in the first week of September and will have only four weeks to consider the matter. It

[Mr. Keith Darvill]

would be helpful if the consultation period could be extended, perhaps by a week or two, so that as many LEAs and schools as possible could participate. We are told that the White Paper has been circulated as widely as possible, but if the window of opportunity for schools to contribute and make representations is narrow, we might miss out on some valuable contributions.

12.17 pm

Mr. Graham Brady (Altrincham and Sale, West): We have heard some excellent and constructive contributions from hon. Members of all parties and I hope that I shall continue in the same vein. I have followed my hon. Friend the Member for Beckenham (Mr. Merchant) before—as chairman of Durham University Conservative Association—and I am especially pleased to be following him today, albeit after a slightly shorter interval.

I am delighted that the White Paper states that it focuses on standards and not on structure. That is something we can all welcome, although the White Paper raises many questions and leaves the way open for many new structures to be introduced. Whether or not they are to be subject to consultation, we are told to expect a new White Paper on structures in the near future.

The hon. Member for Bath (Mr. Foster) referred to a sterile debate on structures and I agree that that is largely unhelpful. The people I represent are keen to move away from that debate, because we have a local education system which is tried and tested—we have grammar schools, high schools and a variety of other schools. It is a popular system, it works and it does not consign any of our children to failure.

I find it objectionable when hon. Members occasionally utter the outdated cliché that the 11-plus consigns some children to failure—it does not. If there are good high schools and good grammar schools, we can select and provide good education for all children, and that is what we do in the borough of Trafford. All too often, the experience of Labour in government—whether central or local—has been about levelling down in education, not levelling up. I devoutly hope that the White Paper is, indeed, a departure from that experience.

My hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) referred to the distance that has been travelled by Labour. If it really has been travelled, I welcome it. We can perceive another distance, however, between the utterances of Ministers and the behaviour of Labour-controlled local authorities. I certainly want that distance to be closed, too. I am reminded that the Secretary of State for Education and Employment used to preside over schools in the city of Sheffield, where no great renaissance of standards took place. Indeed, the reverse was perhaps the case. I hope that that experience has taught him something.

Hon. Members on both sides of the House have referred to grant-maintained schools. Many schools in my constituency are grant maintained—not merely the grammar schools, but the high schools. Parents voted for their status, in some cases by large majorities. Many of those schools felt a particular urgency about achieving that status when, sadly, the borough of Trafford fell under Labour control for the first time last year. We regard that as an aberration. I hope that it will not persist for too much longer.

The fact that the parents and schools felt that they had to seek sanctuary in grant-maintained status is worthy of note. I am confident that that status will protect those schools and will continue to allow an improvement in standards.

Ms Linda Perham (Ilford, North): I am interested in the hon. Gentleman's comments about grant-maintained schools. Does he agree that the vast majority of parents have chosen not to go for such status? Out of 25,000 schools, only about 1,100—I think that that was the figure mentioned earlier—have gone grant maintained.

Mr. Brady: Progress has to take place by degrees. The grant-maintained schools in my constituency are great examples to all schools. The improvements that have taken place in good schools since they became grant maintained have been remarkable and a model for others.

It may not surprise hon. Members who have heard me talk on education if I turn my attention to what the Liberal Democrat spokesman referred to as the "black hole" in the White Paper—admissions policy. That is a major concern. The White Paper refers to the importance of allowing as many parents as possible to achieve their preferred choice of school. That is somewhat at variance with the Government's early attack on the assisted places scheme which limited parental choice.

There is also cause for concern in the proposed reduction in class sizes. How will it be done? I am not merely concerned about the 31st child applying to a small rural school. What will happen in popular schools that have no room to expand? Is there not a danger that the number of parents and children who have to make do with second or third choices will increase? People will be forced to send their children to the less good and less popular schools because those are the only ones with places available.

Again, I think that there may be a marked difference between what the White Paper sets out to achieve and the results of Government policy. My hon. Friend the Member for Tiverton and Honiton referred to the importance of specialist schools, which is flagged up in the White Paper. How can they select, if not by interview or exam? I am concerned to read in the White Paper the phrase:

"There will be no going back to the 11-plus."

Where does that leave those of us who still have it, where it works effectively?

The White Paper also states that the local education authorities will not institute any changes. If grammar schools are to go, it will be from the choice of local parents. That begs a large and important question for my constituents. Which parents will be consulted? On grant-maintained schools, it has been vital that the parents of children at the schools have been the ones to vote on their future. I very much hope for an assurance from the Minister that if a ballot is to be held on the future of grammar schools, it will be a ballot of the parents of children at those schools, not of a wider section of parents who may have no interest in those schools. That is a marked concern of schools in my constituency.

Although we know that the LEA may not take a decision about the future of grammar schools in my constituency, I should welcome an assurance—as would my constituents as local taxpayers—that LEAs will be

prohibited from using public funds to campaign for the end of grant-maintained schools. That is an important point. I should say that my Labour local authority is pledged to rid my constituency of grammar schools in a way that the new Government say they are not, so that is another disparity between what we hear from Labour in local government and in Parliament.

I read that the Secretary of State will set out national guidelines for admissions policy. As the Secretary of State has said that he does not personally approve of grammar schools, will the national guidelines allow for the continuation of grammar schools and, if they do, under what circumstances and in what way? Will the guidelines exclude reference to grammar schools? Will guidelines be set for grant-maintained schools or—if they are created—for foundation schools? Those very important questions remain to be answered. They are certainly not answered in the White Paper.

Schools would be expected to discuss their admissions policies and their plans with the LEA. The White Paper tells us that it is hoped that agreement will be reached in the vast majority of cases. If agreement is not reached, there will be recourse to an independent adjudicator. That implies that, as in most adjudication processes, some type of agreement would be expected to be reached at the end of that. Would an agreement be forced on schools and local education authorities if they failed to reach agreement of their own volition? I should welcome a response on that point.

The White Paper rules out partial selection and says that the adjudicator will have the power to end partial selection where it already exists. Will that power extend to those schools and systems where full selection already exists? I hope that the Minister will reassure me about that.

How will the adjudicator exercise that seemingly arbitrary power? The White Paper contains the bald statement that the adjudicator will have the power to end partial selection where it already exists. Will that power by exercised by diktat? By whose authority will it be exercised, and following what consultation? Will it apply in all circumstances? If partial selection is to be ended in all schools, why leave it to the adjudicator to end it? Why not come clean and say that the Government intend to abolish the right of schools to select part of their pupil numbers?

I hold no brief for independent schools—I am an old boy of Altrincham grammar school, a school of which I am extremely proud—but I find the references in the White Paper to independent schools most interesting. I read:

"The educational apartheid created by the public/private divide diminishes the whole education system."

Again, I refer to examples from my constituency experience. In the borough of Trafford, the Labour local authority has just voted in principle, and as a point of principle, to end the borough's practice, over many years, of funding places for Roman Catholic children at a co-educational Catholic grammar school, St. Bede's college, outside the borough, at a cost not much greater than that of places in the maintained sector. That will limit parental choice. It will restrict choice for Catholic parents in my constituency, end the availability of co-educational grammar school places for their children and lead, in many cases, to significant personal problems. I am receiving many letters from constituents on those matters.

For example, a lady who wrote to me from Timperley is a single mother with daughters. She decided that instead of her daughters being educated in a single-sex environment, they should go to a co-educational school. They are being educated at St. Bede's. She is worried about the possibility that that facility would be withdrawn, which would be a negative move. If parents make such a choice, it is important that co-educational schooling should be available for their children. I am concerned that, under Labour control, the borough of Trafford is taking a different view.

Another family in Timperley has two children already at St. Bede's college, and a younger son and daughter. If the council's proposals go ahead, the parents would be forced to send the younger son and daughter to two different single-sex schools, leading to the difficult situation of four children in the same family being obliged to go to three separate schools—a logistical problem which the borough of Trafford must address.

At present, some 60 pupils a year go to St. Bede's college from the borough of Trafford. Those pupils cannot readily be absorbed by the other Catholic grammar schools in the borough which have recently joined the grant-maintained sector. The fact that St. Ambrose college and Loretto convent school both chose to opt into the grant-maintained sector, having previously been independent grammar schools, is a clear example of the success of grant-maintained schooling and its attractiveness for many parents.

The cost of education at St. Bede's is virtually the same as in the maintained sector. There is no financial reason for the borough council's action, which will limit choice and return to the educational apartheid referred to in the White Paper. It is claimed that greater partnership with independent schools is welcomed, but, in practice, where the real choices are being made, that option is being removed from parents, whether through the abolition of the assisted places scheme or through the removal of access to denominational schools.

Parents in my constituency view the White Paper with trepidation. It leaves more questions to be answered than it answers. It sets out many threats to the schools that we hold dear. I should welcome assurances from the Minister on the issues that I have raised, especially an assurance that the grant-maintained schools and the grammar schools in my constituency will remain.

12.32 pm

Ms Margaret Hodge (Barking): It is a privilege to take part in the debate, even though the Chamber is extremely cold. For that reason, I shall keep my contribution brief.

When we had the opportunity to question the Secretary of State in the Chamber after publication of the White Paper, I said that I believed that it heralded a new era for education in Britain. The White Paper, the legislation that will follow it in the autumn, and the culture and practice that it must engender in our schools are vital ingredients of the Government's crusade to raise educational standards and opportunity, not for a few children, but for every child in every school in every part of Britain.

The White Paper is a defining moment for British education. It brings to an end the sterile and divisive debate on educational structures which, I am afraid, was reflected again in the old Conservatism in part of the

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contribution of the hon. Member for Altrincham and Sale, West (Mr. Brady). The White Paper opens a much more vital and fertile debate on educational standards.

The contribution from the shadow education Minister, the hon. Member for Tiverton and Honiton (Mrs. Browning), revealed the huge difference between the Conservatives and Labour. For 18 years, we had a culture of blame. The Government blamed the LEAs, the schools, the teachers and even the children for failures.

Through many ministerial statements, this Government have boldly created a culture of responsibility to replace a culture of blame. We accept responsibility for standards in education and we have set out the roles of LEAs, schools, teachers, parents and children in raising standards.

Mrs. Laing: It is true that the Conservative Government blamed certain local education authorities for many things that went wrong with education—as the hon. Lady is well aware. However, can the hon. Lady give any examples of anyone blaming children for problems in education? That is what she asserted.

Ms Hodge: I can remember many instances when Ministers did just that. Even this morning, the Opposition education spokesperson referred to equality and said that some children could not achieve. That was part of her thesis on why equality would reduce, rather than raise, standards. Children are being blamed for not achieving. There are many other examples of the previous Government apportioning blame: they never accepted responsibility for raising educational standards for all children in Britain.

The new agenda defines the end of an era when success was measured only by the undoubted success of a few children in a few schools. It highlights the Government's determination that all children in all schools can, and will, succeed. That is a real change of emphasis. It also heralds the end of an era when people thought that input—how much money was spent in schools—was the only variable that affected educational standards. The obsession with input, admissions policies and children's backgrounds has bedevilled education debates for too long.

The White Paper introduces the idea that outcomes count and that whatever a child's background, he or she can and must achieve more. That is a vital point.

Another crucial principle underpins the White Paper and, I think, strikes a chord with many parents in Britain. We hear much about the schools that excel and those that are failing. However, most children attend schools where they just survive: they just get by. They may achieve a little, but they fail to achieve their full potential. I know that from my experience of my four children who have attended a range of primary and secondary schools in London.

My children have had head teachers who are inspirational leaders of their schools, and head teachers who refuse to recognise that there are any problems and allow their schools to decline or not achieve their capacity. I have seen class and subject teachers who, through their teaching, have enthused my children and others and have brought out the best in their students. There are other teachers for whom the children have no respect and in whom they have no confidence. Those teachers succeed merely in turning children off a particular subject.

As the Minister said, we have only one chance at childhood and one chance to learn in childhood. We must not throw away that unique opportunity by tolerating failure or mediocrity. That is what the White Paper is all about—promoting excellence for all.

The White Paper covers a range of issues, but I shall focus on just two, not because they are the only two that matter but because I believe them to be of crucial importance. The first issue is head teachers. The second is children in their early years.

There is widespread recognition that the role of head teachers is crucial in raising the standard of education. That is not a big surprise, as any organisation will prosper depending on the quality of its leadership. Quality of leadership is the most essential ingredient in any successful organisation, including schools. It is a necessary condition to achieve success. Without a first-rate head teacher, one cannot achieve all the other things that we know make up a good school—a culture of excellence, the recruiting of other good teachers in the classroom, good management, both financial and administrative, and effective partnerships.

Yet only now, under the Labour Government, are we really beginning to take seriously the business of raising the quality of our head teachers. We need to reflect a little on the legacy that we inherited. In its 1995–96 annual report, Ofsted said that leadership was poor in one in seven primary schools, and in one in 10 secondary schools. I have not included the category of "satisfactory", because we should be going for excellence of leadership. The fact that so many schools have poor leadership is an indictment of the current system.

I was looking recently at figures on recruitment compiled by the Teacher Training Agency, which undertook an analysis of advertisements for head teachers in the national press. From 1 January to 30 May in the years 1995–97, the number of advertisements for primary school head teachers increased by 61 per cent. That tells us something about what is happening to the confidence of people in the job. In the same period, the number of advertisements for secondary school head teachers increased by 51 per cent. Worse still, in January 1997, 21 per cent. of the advertisements that appeared in the national press for primary school heads were readvertisements. Schools have been unable to recruit people to run those schools from the supply of teachers. In London, 50 per cent. of advertisements for primary heads that month were readvertisements.

Mr. Don Foster: The hon. Lady is raising an issue which concerns all of us. I have just received a written answer from the Minister which tells me that the number of premature retirements of head teachers has continued to increase. In 1996–97, a total of 1,283 heads and 1,089 deputy heads took premature retirement. That figure is up on that of last year, which was also very high.

Ms Hodge: I thank the hon. Gentleman for giving the House those figures. I was, of course, aware that the previous Secretary of State's announcement of the ending of the facility for early retirement led to an immediate influx of head teachers choosing to retire. That has created

a massive crisis for the incoming Government—an enormous challenge for them if they really wish to make a reality of raising education standards.

There is not only a crisis in head teacher recruitment; the situation has not been helped by the attacks on teachers that took place under the previous Government. That is why I warmly welcome some of the measures in the White Paper, and the fact that we have put education at the top of the agenda. That, in itself, sends a message to all the professionals working in the field that we care about the job that they do for our children and for future generations.

Mr. Don Foster: I am grateful to the hon. Lady for giving way to me a second time, and I promise not to intervene again in her speech. She talked about the attacks on teachers, but does she agree that the Minister for School Standards was right to say that the best person to judge teachers and their performance is the head teacher? Does she agree that it does not serve the profession well if, as announced by the chief inspector only two days ago, a crude three-point scale is to be used to judge teachers' performance? In particular, is it not wholly wrong for a teacher to be graded in the bottom of those three categories on the basis of what could have been observation of only one lesson, possibly not even the whole of that lesson? Does the hon. Lady agree that a stop must be put to that immediately?

Ms Hodge: I agree entirely that, in the end, the judgment of whether a teacher is competent must be made by the head teacher. However, various mechanisms can be used to encourage the head to have a look at the performance of a particular teacher and come to that judgment. One of those could be an Ofsted inspection. An inspector could draw a head's attention to what he or she believed was an inadequate performance, but, in the end, the judgment must be that of the head teacher.

I shall digress slightly, to tell the hon. Gentleman a story about my own children. Two of the siblings, who were at the same school, came home and complained about the quality of a teacher who taught them both for a certain subject. One child found the quality of teaching so poor that I was having difficulty in getting her to attend the school. She felt that her time would be better spent in working for her GCSEs in the library than in attending the class.

I therefore wrote to the head teacher, which was an appropriate thing to do. I drew her attention to the fact that my daughter felt that the teacher lacked quality. I was an external person, a parent, and I had never observed the teacher. I was simply responding to my child's views and drawing the head's attention to the quality of the teaching.

I think that that was an appropriate thing to do, and I would not put it in a category very different from what is done by an inspector who may spend an hour or so observing a teacher and then draw the head's attention to the quality of the teaching.

In my case, the head wrote back saying that I had made a serious allegation, which I had better substantiate. I replied with an angry letter saying that it was not my task to substantiate the allegation, but the head's task to observe the teacher in the class and find out whether there was any substance in my daughter's feeling that she was not being properly taught. There is a role for the inspector, but, in the end, the responsibility is that of the head teacher.

I said earlier that putting education at the top of the agenda would inspire renewed confidence and, I hope, ease the way to our being able to recruit better head teachers. Introducing a general teaching council will be vital if we are to restore self-confidence in the profession and encourage competent teachers to come forward and become heads.

The extra money that this new Labour Government have injected into the education service is vital as part of the restoration of confidence and, therefore, of our ability to raise standards. The support that we have given does not, however, mean that we can tolerate mediocrity or failure. That is why the introduction of a statutory qualification for head teachers is welcome and crucial. I hope that Ministers will consider widening the field from which we recruit head teachers.

Recent research shows that head teachers spend only a small amount of time teaching in the classroom. A primary head will spend about 12 per cent. of his or her time on teaching and a secondary head half that.

Ms Estelle Morris: If that.

Ms Hodge: If that, indeed. Do we need good teachers to make good heads? Should we not look at the advanced skills teacher post as a way in which to keep good teachers in the classroom and, therefore, look at a wider range of skills when we recruit heads? People with other skills and other backgrounds could make excellent heads and managers of their schools. The skills required to run a school are not the same as the skills required to be an effective classroom teacher. I urge Ministers to explore options.

At present, the appraisal system for head teachers varies in its effectiveness and we need to revisit that point. It is odd that the chair of a governing body is not included in the appraisal system. The chair may be consulted and asked for information, but, outside GM schools, he or she plays no role in the appraisal system. If the chair of a governing body is to fulfil his or her job, he or she must be incorporated into the process.

I find it odd that a head teacher can cross off the list heads by whom they do not want to be appraised. Again, that denies the objectivity that we seek in the appraisal system. As we define the new role of the local education authority in the White Paper, we should define more closely the role of the LEA in appraising head teachers and taking the task more seriously. If the LEA is there to raise educational standards, it should play an active role in the appraisal of head teachers.

What do we do about poor head teachers? There are huge difficulties in removing head teachers who are not up to the job. It is difficult to remove them, yet it is easy to destroy the standards in a school if poor head teachers are not removed quickly. The removal of a head is more important than the removal of an individual teacher.

The only way in which a poor head teacher can be removed quickly is if everybody agrees—if the head agrees to go quietly and probably at great expense, if the chair of governors and the governing body agree that the head should go and if the LEA is willing to assist. If those three parties do not agree, it can take not just 18 months but years to remove a head teacher from a school where he or she is not providing excellent leadership. That undermines the school and damages the life choices of

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a generation of children. I urge Ministers to review that procedure so that we can look, as we have with teachers, at a mechanism that is fair to teachers, but, most important, fair to children and ensures their rights.

The White Paper also deals with education in the early years. I very much welcome the speed with which Ministers have acted on nursery vouchers. I welcome the decision to phase them out and replace them with a nursery place for all four-year-olds. We all know that the nursery voucher scheme has been wasteful and bureaucratic, as we said it would be when we were in opposition. It has led to a cut in the number of places available to young children and to a decline in standards, partly because four-year-olds have been pushed into over-sized reception classes and partly because of the low expectations associated with the desirable outcomes.

I congratulate the Government on moving fast on a number of issues. About 50 to 60 LEAs have already established early years forums and brought in early years development plans. We have already issued guidance so that all LEAs will have an early years development plan for 1998-99, working with the voluntary and private sectors. Despite rumours to the contrary, there will be nursery places for all four-year-olds in 18 months, as promised in our manifesto.

I welcome the introduction of early excellence centres, because those will be the start of our bringing together child care and education, a move which is long overdue in education policy. It is important to do that because 50 per cent. of the intellectual development of a child takes place in those first crucial five years and because the nature of families is changing so fast.

However, if we are to achieve real progress in the early years, the Government need to take some action in the legislation that they will be developing in connection with the White Paper. I urge Ministers to further the integration of child care and education in the forthcoming Bill. We need to legislate to create a unified statutory framework for that integration.

At present, local authorities are required to produce two reports, one for the early years forum, which will give them an early years development plan, and one under the Children Act 1989 for the early years service—one for up to five-year-olds, and one for up to eight-year-olds. Those have different standards and different child-adult ratios, which is a recipe for confusion rather than integration. We need one framework and one Act that will contain a common framework for registration and for inspection, and common standards in terms of child-staff ratios, space, qualifications and other such issues. We must define that carefully to ensure that we maintain, as a social services function, a rigorous and effective framework for the protection of children at risk.

I urge Ministers to take on board the legacy that they have inherited in relation to four-year-olds in schools. Most of those four-year-olds are receiving an inappropriate education in an inappropriate environment, with an inappropriate curriculum.

This is an exciting time in education. It is a time for new thinking and a new approach. It is a time when no holds will be barred in the pursuit of excellence. It is a time for a new partnership to be constructed between parents, children, teachers, schools, LEAs and the Government. It is a time when the nation's children can look forward to educational opportunity of a quality that every parent, employer and politician knows is right and important. I congratulate Ministers on publishing this important White Paper and look forward to the legislation that it will bring in the autumn, in the hope and confidence that it will facilitate in Britain's schools a better future for all our children.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Several hon. Members are trying to catch my eye and if there is some restraint on the length of speeches, I hope that they may all have the opportunity to speak.

12.58 pm

Mr. John Bercow (Buckingham): Thank you, Mr. Deputy Speaker, for enabling me to contribute to this debate on the most important domestic issue that our country faces in the years ahead.

At the heart of Conservative education thinking was a recognition that giving schools freedom combined with responsibility would lead to improved standards, greater choice and extended accountability of the education service, both to the consumers of the product and to the wider community. In substantial measure, that philosophy worked. The outputs were favourable. The score sheet is positive. My fear is that the consequence of the present White Paper, whatever good intentions may underlie it, will be to drive the process backwards and to reverse the accomplishments of the past 18 years.

In the presence of the Under-Secretary of State, I shall begin on what I hope will be accepted by the House as a genuinely charitable note. In a limited number of important areas, the Labour party at national level has undergone an apostolic conversion. It has moved from hostility to the national curriculum to welcoming it. It opposed league tables, but now supports them. After ridiculing the notion that there was scope for improvement in literacy and numeracy standards, it now embraces the cause of improvement in that sphere. It had an absolutely derogatory attitude towards Ofsted, but now recognises the merits of that body and its important role in education. The Labour party had a palpable disregard for the appalling standards in many teacher training establishments, but it now recognises that the reform of teacher training has to be at the heart of educational advance.

Labour has travelled a long way, at least in terms of establishing a superior rhetoric and that is welcome. In so far as that can be followed through by practical initiatives, by attention to detail, by an understanding of the targets that need to be set and by an appreciation of the ways in which they will be met, the country will applaud the Government. In so far as they are not able to follow through, we shall see that they are exposed as believers only in the theory who cannot grasp the essentials of what is required in practice. At this stage, I acknowledge that there has been some change.

My overall concern about the White Paper spans many elements. There are several problems in the document, the first of which is that at its heart there is an innate contradiction. Ministers have said that they wish to raise standards and that they charge schools with the primary

responsibility for achieving that outcome. However, they afford to local education authorities a centrality in the process which many of us believe that the experience of recent years does not warrant. Many of us contend that, given the prevalence of Labour LEAs, the situation is not that they can provide a solution but that they are part of the problem of endemic low standards in many parts of our country. I hope that the Under-Secretary of State will address that point as it worries not just Conservative Members but many parents and governors and others with a genuine and continuing interest in the quality of public sector education that we offer.

I have a vested interest in the subject. I cannot comment on the expense incurred in the education of the hon. Member for Barking (Ms Hodge) as it is not a subject on which I am an expert, but I say categorically that I have an interest in the quality of state schools because I went to one. I attended a relatively modest comprehensive school in the Finchley constituency of my noble Friend Baroness Thatcher, and I have consistently maintained that I got to university despite, and not because of, my attendance at that school. I had a few outstanding teachers, but there were serious problems in the state-funded service. I am therefore committed to the dramatic enhancement of the quality of the state service upon which, realistically, the vast majority of our children will depend. There is no doubt about my objectives in this matter.

My first concern relates to local education authorities, to which the White Paper proposes to grant more powers. Each school will be obliged to prepare a plan which will be submitted to and be subject to the approval of the LEA. The Minister of State, who is not in his place, took pains to assure us earlier in the debate that the capacity of an LEA to intervene would be limited. He said that there would be benign, harmless intervention, only when it was essential, but he did not persuade Conservative Members because he did not deny that LEAs will be able to challenge the views of schools in their local education plans and interfere in the contents of plans. That rings alarm bells in my head and in those of many other hon. Members. If Ministers are anxious to disprove that point, they must assuage our fears in their response to this debate.

It is simply not true that intervention, as is said in the White Paper, will be in inverse proportion to success. The point was eloquently made by my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) at the outset of the debate, but it bears repetition: successful schools will be obliged to seek the approval of unsuccessful education authorities for the school plans that they have devised. The chronic illogicality of that is so apparent that only an exceptionally clever person could fail to see so simple a point.

Why should the London Oratory school, a school of considerable interest to a number of Labour Members, be obliged to seek the approval of Hammersmith and Fulham education authority—a gold star performer seeking the approval of an authority in the lowest rank of education administrators anywhere in the United Kingdom?

Mr. Brady: Does my hon. Friend agree that the idea is particularly illogical in the case of grant-maintained schools, which were desperate to get away from their LEAs in the first place?

Mr. Bercow: My hon. Friend makes an extremely powerful point to which, if he will forgive me, I shall allude further later, because it concerns one of the key differences between Conservative and Labour Members.

Another major concern is that the White Paper will result in more bureaucracy. That is clear beyond peradventure. It is littered with references to plans: school plans, local education authority plans, Department for Education and Employment plans, early years forums plans—plans, plans, plans. I am concerned that the end result will be a profusion of paperwork and a paucity of practical work that is of benefit to the schools that are at the heart of our debate. Clearly, plans involve costs—opportunity, time, staff and governor costs—and parental involvement is required. My anxiety is that we should have a good education service, not a high-quality bureaucracy with jobs for the boys and girls.

I am also concerned that the Department and the Secretary of State will be afforded greater powers that are not justified. A massive centralisation is proposed, involving an unjustified arrogation of new authority to the Secretary of State. It appears on initial inspection that the standards task force is to be largely a talking shop, but there is also to be a standards and effectiveness unit. That rings alarm bells in the heads of Conservative Members, because it is not clear what resources that body will have, how many staff it will employ or to what extent, if at all, it will be able to interfere in individual schools' affairs.

There is a reference to the Government's desire to create a national database with individual identification numbers for every pupil in the country. That worries me, and I hope that the Minister will be able to reassure me. It is not clear to me why that amount and specificity of information should be required centrally. That has an Orwellian ring about it and it is not justified in any way. It leaves schools and local education authorities both dependent upon and vulnerable to the whim of the Executive power.

One of the gravest defects of the White Paper is the scant attention paid to the intended treatment of grammar schools and grant-maintained schools. I speak with particular interest in both. I have an excellent grammar school in my Buckingham constituency, the Royal Latin school, where 98 per cent. of the children score grades A to C in five GCSEs. It has a superb head teacher, quality governors, motivated staff and assiduous pupils. That school is achieving and I say to the Under-Secretary of State in all candour that I hope that that it is not the intention of the Government to interfere with or detract from the autonomy of that school. If that is what is intended by the Government—the subject is to be farmed out to some subsequent consultation paper—Ministers will discover that those schools will not lightly give up the freedom or the excellence which they have secured for themselves.

If the Government are genuinely interested in the creation of a new consensus in education they must respect the autonomy of those institutions and appreciate their importance. The same goes for grant-maintained schools. There are a number of extremely competent ones

[Mr. Bercow]

in my constituency, for example, the Waddesdon Church of England school. Since it became grant maintained, it has built a new science block and, to its credit, 58 per cent. of its pupils scored grades A to C in five GCSEs. That is an excellent record. Similarly, Brookmead combined school in the eastern part of my constituency has an excellent record. Since becoming grant maintained, it has built a science block and a swimming pool and has secured excellent results at key stage two. A situation to be admired—72 per cent. of its pupils score to the accepted standard in English, 78 per cent. in mathematics and 81 per cent. in science.

The final example of a grant-maintained school is that of Overstone school, with which I am particularly familiar, and which I have visited. It is an excellent institution with a superb headmaster and an excellent chairman of governors. It, too, has not only improved its facilities since becoming grant maintained, but its pupils have secured far better results than the national average at key stage two—68 per cent. of its pupils score to the accepted standard in English; 66 per cent. in mathematics; and 68 per cent. in science.

The Under-Secretary of State and her colleagues consistently emphasise that their preoccupation is with standards and not with structure. I suggest to my right hon. and hon. Friends that there is a problem between what they say and what the reality demonstrates. They cannot conceivably be objecting to the standards that those schools are delivering: rather, the objection is to their structure, and it is with their structure that the Government wish and intend to interfere. The Government are talking about replacing them with foundation schools and about fiddling around with the funding formula.

The hon. Member for Barking sniggered and sneered about grant-maintained schools throughout the excellent speech of my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady). That is not justified. Even changing the name means new notepaper, additional costs, a greater burden and a diversion of time and resources away from the important subject of delivering quality education on to the needless frippery of educational administration. All because of Government decisions. I hope that Ministers will reflect upon that.

I welcome the fact that in the White Paper the Government have embraced the cause of the reform of teacher training. That is to their credit. I hope that it will work effectively in practice. It is, however, worth reminding ourselves of the background to the situation in which we now find ourselves. Within the "psycho-semiotic framework", the shared reading lesson is viewed as an "ideological construct" where events are layed out and children must learn to position themselves in three interlocking contexts. The Under-Secretary of State will be relieved to know that those are not my words, and I do not for one moment suggest that they are hers or those of my hon. Friend the shadow Minister: they are the words spewed forth from the pen of Kimberley, Meek and Miller, three practitioners in teacher training.

It is precisely that sort of unintelligible jargon, combined with growing evidence that a significant minority of children were underperforming in the three Rs, that provoked national alarm at the beginning of the 1990s. The former Secretary of State for Education and Employment, my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard), responded to that concern. The former Government established the Teacher Training Agency. Earlier this year, she made proposals for a core curriculum for teacher training. It appears that the Government intend to build on that. I welcome that decision, but I regret the delay in implementation of the curriculum.

I strongly counsel Ministers to ensure that the huge number of failing and inadequate Labour local education authorities, which are addicted to the egalitarian nostrums of the trendy teaching of the 1960s, do not get their hands on the process and prevent the use of the most effective methods of teaching, especially of the three Rs, in our schools. If they can implement the proposed reform of teacher training in the way that we would hope, there should be a consensus, which will be welcomed.

Several hon. Members mentioned the debate on class sizes on which I need touch for only a few moments. It seems clear—there has been a signal to that effect—that in Scotland at least, the hon. Member for Cunninghame, North (Mr. Wilson) recognises that it will not be possible to deliver on reducing class sizes for five, six and seven-year-olds. Whether that will apply to England and Wales remains to be seen, but it is important that Ministers avoid two pitfalls.

First, we do not want increased central direction of admissions policy, which would mean that individual parental choices are no longer respected. Secondly, and this is especially applicable to hon. Members who serve rural constituencies, we do not want a forced exodus of pupils from popular but often small and overcrowded village schools to urban institutions that neither they nor their parents want. If that is what is afoot, and the Government think that the likely existence of surplus places will allow them to fulfil their general election pledge at the expense of the education opportunities and life chances of many children in rural areas, they are running a big risk.

Several hon. Members discussed the costs of the White Paper. Costs there will be, and I doubt whether they can be met. It is not with that that I want to detain House; that is the Government's responsibility. We wish the Government well in so far as their objectives are to extend standards, improve choice, and bolster accountability—it would be wrong for us not to do so—but we have grave doubts about their capacity in practice to meet their aspirations.

Although the Labour party is currently very jaunty, it would be unwise simultaneously to raise expectations and to put into effect policies that will dash the hopes of large numbers of parents and children. If that happens, the scale of disappointment will be all the greater. The Government must resist that temptation. If they can, the country will benefit; if they cannot, education will suffer and, ultimately, they will suffer the political penalty.

1.18 pm

Mr. Tony McWalter (Hemel Hempstead): I shall try to be brief so as to give other hon. Members the chance to speak. In the interests of brevity, I shall resist the temptation to launch an encomium of the White Paper, which I regard as excellent. It is called, "Excellence in schools" and itself makes the point that excellence can still be improved on. I hope that my hon. Friend the Minister will not mind if I mention a couple of things that I believe could improve it.

In particular, I should like to draw the attention of the House to two omissions in the White Paper which concern my constituents. The first relates to what might be termed input and the second relates to output.

In respect of input, parents in Hertfordshire do not want their children to go to schools covered by another local education authority, but the education system there is in chaos as a result of the policies of the Conservative Government. When their child is three years old, parents are reduced to begging for a place at a school that is higher up the league table than another school, knowing that it is a feeder school for the secondary school that they want their child eventually to attend. Parents of children aged three and four are engaged in a terrible fight for school places.

As has been said already today, there is no real choice. The parents of children aged four and 10 trek around local schools, trying to make an informed decision about where to send their children, only to find that the number of applicants is sometimes double the number of available places. Many of them turn to the appeals process, which is conducted on the sly by an independent panel, before being told that there is no place for their children at the school of their choice as it was full before the panel met. If they had applied for a place at a popular school, their application falls through the system and large numbers of them feel dumped on.

Many parents who are sufficiently wealthy then say, "A plague on this rotten system—I am going to take my children out of it and pay for them to go to a private school; I will then insulate them from being put into a school that does not meet their educational needs."

The Conservative Government devised a system without much thought or planning. They despised education experts and, as a result, hundreds of parents felt it necessary to pull their children out of the public education system as it did not respond to their needs. The White Paper makes it clear that the system that we have inherited is intolerable and must be changed and that we must seek to provide the resources, encouragement and support that schools require so that the needs of disappointed parents and their neglected children will be met.

My constituents are also concerned about the output of schools. I received a letter from a Roman Catholic priest in my constituency saying that his church is has been repeatedly attacked by youngsters aged 12 or 13 throwing stones at the windows and daubing paint on the building.

Many people feel rightly that parents have a significant responsibility for the unconstrained behaviour of their children. The White Paper makes the point that the way in which children turn out results from a partnership between parents and schools. Many people feel that schools are failing children in that respect. We have to ensure that schools play their part in seeking to change the unacceptable behaviour of their pupils. Some will say that it is a matter for the police, but the problem is not simply that certain kids behave in an unacceptable way which threatens to destroy their welfare and the fabric of their lives; it is that they do not realise that what they are doing is wrong.

That brings me to a very important perspective on the White Paper, in which there is a tiny section on citizenship. Truth to tell, one role that most schools accept is not only to train people in the art of citizenship, but to train them to think about whether what they are doing with their lives or their time is right or wrong. That is not a simple matter: all of us, both inside and outside the House, in our personal lives, are involved in a moral journey to try to improve our understanding of the ethical dimension of life. The White Paper, however, does not specifically address that dimension: it does not ask schools to do something that the national curriculum fails to do, which is to embed into the schooling process an enhancement of moral understanding, so that at the very least if children in the later stages of their school career behave badly—as we all do, from time to time—they will know that they have behaved badly. They will understand what it is to treat others with respect and to have a moral conscience. That matter is not addressed in the White Paper, and nor are many others.

I conclude by pointing out that the form of the paper asks people to make a contribution to the debate and gives a reasonable time scale for doing so. I do not understand why Conservative Members cannot make constructive criticisms when the form and structure of the White Paper encourages such comments. As my hon. Friend the Member for Harrow, East (Mr. McNulty) said, let us try to get a sense of agreement about the direction of policy on schools. Our schools are in a mess, both in terms of structure and, in many cases, in terms of output. We can do better and, with many of the ideas in the White Paper, we will do better.

1.26 pm

Mrs. Eleanor Laing (Epping Forest): I shall be brief, because I am aware that several hon. Members still wish to speak. In particular, I do not wish to deprive the hon. Member for Ilford, North (Ms Perham) of the opportunity to say a few words, because for many years she has been involved in the provision of education in my constituency.

I planned to begin by saying that, of course, we are all in agreement that education matters and is a very high priority in the political outlook on both sides of the House, but, in noting the number of hon. Members present, it occurs to me that it is a great pity that we are having such an important debate on a Friday. I am sure that many colleagues on both sides of the House would have liked to be present to discuss education, but there are even fewer hon. Members on the Government Benches than on the Opposition Benches. Before you criticise me for my arithmetic, Mr. Deputy Speaker, I should say that I was taught proportional fractions at a very early age and I am quite certain that, proportionally, there are more Conservative Members than Labour Members here today.

Mr. David Heath (Somerton and Frome): There are even more of us.

Mrs. Laing: I concede that there are also proportionally more Liberal Democrats than Labour Members here. I am sure that they give high priority to education, as do we all.

In the interests of brevity, I shall confine my remarks to the issue of grant-maintained schools. Some Labour Members have said that the White Paper marks the beginning of a new era of ideas and energy. I am afraid that they are wrong. The ideas and energy in education policy were there throughout the years of Conservative government.

[Mrs. Laing]

One of the most successful policies that we introduced was the introduction of grant-maintained schools, which was welcomed by hundreds of thousands of parents. In the past eight years, the policy has revolutionised the attitudes and achievements of hundreds of schools and thousands of pupils.

The hon. Member for Harrow, East (Mr. McNulty), who is no longer in the Chamber, criticised people who sit in the corner and say, "No, you can't do this and you can't do that," and take energy away from the provision of education. Grant-maintained schools are one policy through which we brought in energy, but Labour Members said, "No, you can't do that." I remember clearly the Minister for School Standards in another role before he came to the House, trying to stop the setting up of grant-maintained schools in his part of the world at the time, as did others. He did so by such petty actions as stopping the football teams of maintained schools playing against those of grant-maintained schools.

Mr. Bercow: Spite.

Mrs. Laing: I entirely agree. If that is not stopping energy coming in to help education, I do not know what is.

Likewise, we introduced assessment and testing, which are important and which the White Paper welcomes and wants to build on. We shall not forget that if it had not been for our policies and the determination of the Conservative Government, there would be no assessment and testing. Teachers would not be able to tell what a child can do, but also what they cannot do, and have the means to assist a child who needs extra help, which is extremely important.

I want to pay a short tribute to the work of the Grant-Maintained Schools Foundation and, in particular, its chairman, Sir Robert Balchin, who has not had enough recognition for his contribution to the education world in the past eight years. He has given his time and energy in an entirely voluntary capacity, to help improve the education of hundreds of thousands of children.

The White Paper talks about the involvement of parents. Grant-maintained schools were the very engine that involved parents in their children's education. By encouraging them to become involved, to sit on the governing bodies and to choose the direction of their children's school, we were giving all parents—not merely those who could afford to pay for it or those already involved in the teaching profession—involvement in their children's education, and giving them the choice that matters so much.

That is not a side issue. Hon. Members have said that what matters is the way in which the White Paper deals with issues that involve everyone. Of course, that matters, but the minorities matter, too. Children who need extra help, those who are particularly talented, children at grant-maintained schools and those in rural as opposed to urban areas all matter, and it is wrong to look only at the generality and ignore the particular.

What worries my constituents and me most is that the White Paper contains no clear proposal for how grant-maintained schools are to go forward. Parents are very concerned about that. Before it came to government, the Labour party led many of them to believe that they had nothing to fear if they sent their children to grant-maintained schools. Some parents trusted that undertaking, as the result at the ballot box showed us. Their trust on that, as on so many other policies, has been betrayed now that the Labour party is in government.

I want to make three brief points about the way in which grant-maintained schools are treated in the White Paper. The first concerns funding. The White Paper proposes that funding, instead of going directly to grant-maintained schools through the funding agency, should go via local education authorities. As a result, funds will go to bureaucrats, not to children—into offices, not into classrooms.

Bureaucracy is growing again. Instead of concentrating policies on schools and education, we are again talking about who will lay down the rules and what the bureaucrats will do. Power is flowing back to local education authorities and away from parents, teachers and governors.

Non-grant-maintained schools lose about 10 per cent. of their funding to pay for the overheads of local education authorities; grant-maintained schools keep that 10 per cent., but spend only about 5 per cent. of it on overheads and bureaucracy, so they spend the remaining 5 per cent. on providing extra members of staff. Can the Minister give an assurance that schools that are now grant maintained and which may, under the proposals in the White Paper, subsequently be called foundation schools, will be able to keep that 10 per cent? If they lose it, how will he justify the inevitable consequence—that they will make members of staff redundant? Heads and governors of grant-maintained schools want to know that, and that is what matters for the future education of the children in those schools.

My second point is that grant-maintained schools will lose the freedom that has brought them so much success in the past eight years, as my hon. Friend the Member for Buckingham (Mr. Bercow) said. How much time and how many resources will those schools need to devote each year to producing a plan for submission to the local education authority—putting time, energy and funds into bureaucracy, instead of into the education of the children for whom they are responsible?

My third point concerns admissions policy. I do not want to overplay the question of the London Oratory school, but it is an extremely good example.

Mr. Byers: Try using another example.

Mrs. Laing: I defend the right of the Prime Minister and some of his colleagues, as I defend that of thousands of parents throughout the country, to choose which school to send their children to. I shall continue to defend that right, but will the Minister defend it?

Can parents who currently send their children to grant-maintained schools outside their area or who exercise other choices in education, which they were given by our policies, continue to do so? If they have one child in a grant-maintained school outside their area, will parents be able to exercise that choice in future for the child's younger siblings? I believe that the Minister is not listening; perhaps he is not interested in my question. I defend not only the Prime Minister's right to choose,

but that of hundreds of thousands of parents throughout the country. It would be interesting to know this afternoon whether parents will continue to have that right.

I have another question to ask about admissions policy. Heads and governors may be quite happy with a class of, let us say, 32 or 33 pupils. Will the LEA or the Department for Education and Employment tell the heads and governors of a grant-maintained school that they may not keep 32 or 33 pupils in a class? I do not believe that the matter will arise in practice, because I do not believe that the funding will be available to produce the additional teachers and classrooms that will be necessary. However, if, in theory, the funding were to become available, would heads and governors be told that two or three children must leave the school because a class contained more than 30 pupils?

It is nonsense to say that the quality of education depends on the number of children in a class. Hon. Members of my generation should think back to their own childhood. I was taught in a class of 40 from the age of five to the age of 10, and there was nothing wrong with the way in which I was taught or what I was taught. Many who were in that class with me have gone on to be extremely bright and high-achieving people. It did them no harm to be taught in a class of 40. There is too much emphasis on such bureaucracy.

The White Paper is full of fine platitudes and vivid pictures. It is full of words such as "crusade", "pledge" and "passion", but it says nothing that will lead to higher standards, apart from the fact that, as I pointed out earlier, there are certain policies that started off as our policies and which have been given different names. They are still the same policies, however, and I do not blame the Government for taking them forward, but I condemn the Government's hypocrisy. For 18 years, they criticised us for doing the very things that they now want to do.

We also see in the White Paper plenty of old Labour—many of the principles that have always been in Labour's education policies. What the White Paper really says is that if all children cannot have the very best of education, no children should have it. That is what it is saying by ignoring parental choice and grant-maintained schools, and by ignoring particular instances and always speaking about the generality.

That is the policy through which the previous Labour Government, under whom many of us were educated, let standards fall. I remember it because that is when I was educated, and so do my hon. Friends, who are agreeing with me. That is the attitude that let standards fall. It is sad that after so many years of achievement, widening of freedom and choice, and lifting of standards for children, the new Labour Government are looking back to those old attitudes.

1.41 pm

Ms Oona King (Bethnal Green and Bow): The White Paper is an attempt to bring a more level playing field to our children. I hesitate to talk about playing fields, however, because in Tower Hamlets in my constituency, not one single school has a playing field, never mind a level one. The disparities at every level in the education system are great and must be overcome. That is what the White Paper sets out to do.

My mother was a teacher who taught in inner London for more than 20 years. She often lamented the fact that many children arrive at school unteachable. We have heard much talk about fitting school leavers for society, but less talk of making our society fit to educate our children.

William Blake's dictum that we become what we behold is as probable as it is chilling. That is why we must acknowledge that responsibility for education goes beyond the school gates—and, indeed, beyond the front door. Heaping all the blame on the education system, as Conservative Members often do, is analogous to blaming the current deficit in the water supply on that liquid's malicious tendency to find its own level, rather than on the water companies' failure to mend their own pipes.

I applaud the Government's commitment to raising educational aspirations and to placing education at the heart of society's agenda. My generation wants training and high-quality education to equip us for the skills revolution that is already taking place. The rate and the speed of change is phenomenal. My generation has the weight of history on our shoulders and the light of the next millennium in our eyes, but we need the force and the strength of government behind us. That is why I am grateful to the Government for putting education at the top of the agenda. Let us make no mistake: we can deliver for Britain only if Britain delivers for us. That means an education system for the many, not the few, which involves the many, not the few.

That is what we have done in Tower Hamlets: we have reached out to a wide range of companies and City institutions and to families and parents, because we realise that it is everyone's responsibility. Improvements can be seen everywhere in my constituency in terms of staying-on rates, the number of children passing examinations, nursery education and school attendance rates. The number of 16-year-olds with five or more GCSEs has trebled in Tower Hamlets since 1989. We also have the highest level of nursery provision of any London borough.

We are doing what we can, but it is unfair that we must still battle against the vagaries of inner-city deprivation that set back so many of our children. I have some experience of the difficulties facing children in those schools, because I am the only Member present in the Chamber who endured the Thatcherite experiment in education in the mid-1980s. You—I am sorry, Mr. Deputy Speaker—Conservative Members have talked about how wonderful that experiment was. I suffered through it. My school saw class sizes increase and teacher numbers cut. I could choose from a diminished number of subjects. It is no good Conservative Members telling me that that did not affect my education—it did. I believe that you—if I do that once more, I am sure that I shall receive a severe reprimand. You are being exceptionally indulgent, Mr. Deputy Speaker, and I am most grateful.

My point is that my state comprehensive gave me a good education in spite of—not because of—the Government's actions at the time. That is why we must bolster and modernise the comprehensive principle. That is exactly what the White Paper does: it sets the goal of raising standards for everyone, which means equal opportunities for everyone. That brings me back to the question of level playing fields, or lack thereof.

It costs more to deliver education in Tower Hamlets. For example, the children in our classrooms speak 79 different languages, and a large proportion speak English as a second

[Ms Oona King]

language. Can we imagine teachers in Surrey having to deal with those problems? No, we cannot, because they do not. One in three children in my constituency come from a family where no one is in work. There is no culture of learning, which makes it more difficult for teachers.

This White Paper will find the political will to bring excellence to all our schools. I have learnt one lesson from my more senior colleagues. Most hon. Members on both sides of the House begin each 20-minute speech by declaring their sincere intention to be brief. I, too, shall be brief. I conclude by quoting the 19th-century French historian, Jules Michelet. In 1846, he said:

"What is the first part of politics? Education. What is the second? Education. And the third? Education."

I am delighted that, 150 years later, this White Paper is putting those ideas into practice.

1.48 pm

Mr. David Heath (Somerton and Frome): I am most grateful to the hon. Member for Bethnal Green and Bow (Ms King), not only for being my Member of Parliament in London but for meaning it when she said that she would be brief.

I intend to be rather positive about the White Paper throughout, but I start with a note that is a little less positive. I received a letter yesterday from the Secretary of State for Education and Employment, which in normal circumstances would have been extremely welcome, but in this circumstance suggests that perhaps he has a sense of irony that I had not suspected, because he invited me last night to go to the Department to talk about the future of education in my constituency.

I had to reply to the right hon. Gentleman to say that I was afraid that I could not do so, because I would be in the Chamber discussing the capping order for Somerset, which will result in the loss of 90 teachers and in our class sizes going up, and will do immense damage to the education of children in Somerset. I speak with some passion about this, as a former leader of Somerset county council and former chairman of education in Somerset, and, indeed, having children now in Somerset schools. It seems an odd way to start the Government's mission to improve education standards, that their first executive action is to cut education in Somerset and thereby maintain the eighth year of real-terms cuts in the education service in the county.

That is the negative point. Now I move to the positive, because there is much in the White Paper to be commended. Indeed, much of it picks up points that came from people in my own area, when we launched a little consultation exercise in Somerset last year, which we called—not very imaginatively—2000 and beyond. It sought to put the local education authority in the context of the new millennium, and to look at what was happening in our schools, at people's aspirations for the education service in Somerset and at how we could meet those aspirations and find better ways of providing an education service.

Much of what is highlighted in the White Paper picks up on themes that were suggested in that consultation process. We heard the notion expressed this afternoon that class sizes do not matter. I have to say that they do. Of course, it is possible to have good teaching in a large class, just as it is possible to have poor teaching in a small class, but, on the whole, smaller class sizes mean more attention for the individual child and a better standard of teaching.

To bring down class sizes, a variety of measures will need to be taken—not just revenue should be available to employ teachers, but capital should be available to provide classrooms. That is a big problem in much of the country. In Somerset, we currently have 900 temporary classrooms, which is a ridiculous state of affairs. No one would run a commercial estate in that way, yet that is what Somerset is required to do. The capital that is needed to provide smaller classes and high-quality teaching is an essential element.

There is a call to address better the issues of citizenship, parenting and life skills. Those points came from parents, teachers and other people who are interested. The dissemination of good practice is another vital point. So often we seem to find LEAs and individual schools busy developing their own theory and practice without exchanging ideas and best practice. Surely the Department and LEAs play a vital role in ensuring that good practice is disseminated more freely.

I was so pleased to hear a Minister say a good word about teachers. It has been a long time coming in recent years. Teachers, by and large—with a few exceptions, of course—do an excellent job. Unless we say that every now and again, it will be hard to maintain the morale that is so essential if we are to have excellence in our teaching community.

I am pleased to see the progress—although, as I agree with my hon. Friend the Member for Bath (Mr. Foster), it is limited—that is being made on early years education. Like many other people, I am convinced from my own experience that the quality of early years education is essential to the rest of the educative process. We must put the investment in at that point—but properly, not through the voucher scheme, which not only failed to create a single extra place for four-year-olds in Somerset, but put into reverse the existing process of providing specialist nursery classes. If we can provide quality nursery education, we shall be making the investment that this country so desperately needs.

I am pleased to see that there is to be some reinforcement of the role of local education authorities. I believe that they have an important role to play, not in terms of controlling and managing what happens in schools, but in providing quality assurance, support and advocacy not only for the process of education, important though that is, but for the individual child within the school. That is the role of the LEA, and that is what good local education authorities are already doing. Let us see that buttressed by Government support.

I was pleased to hear so many hon. Members on both sides of the House warn against complacency in our schools. The Minister for School Standards concentrated on that in his speech. Standards must be raised in all schools, however well they may be achieving already.

It is easy to identify failing schools and to say that those are the ones that need the attention. However, it is more difficult to tell a school that is doing well—a school that may have a predominantly middle-class clientele and sail through its Ofsted inspection with a satisfactory report—"You, too, should be doing better, because, with the assets and skills that you have, you could get more out of each individual child." It is essential that that should happen.

I hope that the Minister will take proper account of the Audit Commission report, "Trading Places", in whose production I played a part, as I was member of the Audit Commission at the time. The policy gridlock described in the report is still in place and I see nothing in the White Paper to remove it. Indeed, there is a possibility that the reduction of class sizes will make things worse by adding to that gridlock. I do not know quite how one adds to a gridlock—perhaps by putting roadworks in the way. None the less, there is an added dimension there, which Ministers need to address.

I shall finish soon, because I am aware that the time is approaching when the debate must be summed up, but first I should like to say a word about education in rural areas—a topic which touches on some of the points made by, among others, the hon. Member for Tiverton and Honiton (Mrs. Browning), who spoke from the Opposition Front Bench.

Much of what we see in education policy, as in so many other areas of social policy in recent years, is based on a suburban model, which assumes that there is a choice of schools within easy walking distance and that there is social interaction between different education communities. It also assumes that unit costs are largely comparable across the whole of a local education authority's area and that transport costs are not a major element within an authority's costings.

In rural areas, none of those assumptions applies. In rural areas, we have what are effectively monopoly suppliers, in the form of secondary schools that may cover a hinterland with a radius of 10 or 15 miles. That means that there is no easy option, no easy choice.

Specialist provision is more difficult, too. We have small village schools, which I value enormously both in Somerset and elsewhere, because small schools are often excellent. None the less, they have their own problems. Small secondary schools serving areas of low population have their problems too, especially for the sixth form. How are they to provide the width of curriculum adequately to cater for the education of their children? That is an area in which IT may play an additional part. The introduction of extensive IT could help provide children with a wider range of curricular experience and opportunity. As of yet, that opportunity is not available.

In rural areas, transport becomes a significant factor and we pay an awful lot to bus children around. It is a growing and hardly a marginal cost in rural education. Capital provision is more difficult in rural areas and reliance on the private finance initiative will not be the answer. As we have discovered to our cost, trying to arrange a suitable package for the PFI in a rural area is extremely difficult. Special needs teaching becomes more difficult. The number of children who are available for social interaction is another difficulty, and unit costs are higher.

All those matters need to be addressed, so that we have excellence in education right across the country. The rural areas must not be forgotten in the equation.

2 pm

Mrs. Browning: With the leave of the House, Mr. Deputy Speaker, I promise to be brief in my summary, as I have already had one opportunity to outline the fact that the Opposition support some of the measures in the White Paper and to flag up our concerns.

One point that has come up many times in the debate—I hope that the Minister will take this comment in the spirit in which it is meant—is that there is still worry about the detail. Labour Members also mentioned that. The hon. Member for Harrow, East (Mr. McNulty), for example, mentioned that head teachers in his constituency had said that they wanted the details of many of the White Paper proposals.

The point was best summed up by my hon. Friend the Member for Beckenham (Mr. Merchant) who suggested to the Government that putting in more of the detail by consulting before producing the White Paper would have allayed many of the worries and would have enabled Ministers to come to the House with more detail and more answers to the many questions that the White Paper raises.

Many points were raised about particular concerns, one of which was admissions. Again, my hon. Friend the Member for Beckenham explained how admissions procedures affected his constituency. He referred to educational refugees from London boroughs. I hope that the Minister will take on board the point that, in many cases, schools that have gained a good reputation have done so because people have been concerned about education in their local schools and have preferred their children to travel some distance out of the London boroughs to have access to what they consider to be a suitable education, whether because of the school's standards or because they want to exercise a preference in terms of religious denomination.

I was particularly concerned to hear my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) speak of the worries of parents who can at present access an education for their children in a Catholic environment, but who see that option under threat. That is not the only example of the worries of parents who are currently able to access Catholic schools. As the Minister will know, because I have raised the matter on the Floor of the House, we have had a similar problem in Exeter. I have had correspondence from parents in Merseyside about a forthcoming problem with maintaining an option for education in a Catholic school. My hon. Friend the Member for Altrincham and Sale, West was speaking not only about his own concerns, but about concerns being raised around the country about what will happen if parents are denied their choice of school, especially when that choice is based not on standards alone, but on religious denomination.

My hon. Friend the Member for Buckingham (Mr. Bercow) raised clearly the problems of existing grammar schools and grant-maintained schools. He also asked about the future role of LEAs, which I raised in my introductory remarks. If LEAs are to take on more powers and more responsibilities, we should like to have full details. When the Under-Secretary replies, she may be able to tell us what will be the power of the LEAs if they are to have control over or to scrutinise the plans of individual schools.

Will the powers be advisory, or statutory—which would enable LEAs to overturn specific details in a school's plan? Rightly, my hon. Friend the Member for Buckingham raised the concerns of both grammar and GM schools about what might happen to them when the LEA has control of scrutinising or even overturning those plans.

[Mrs. Browning]

Equally, my hon. Friend the Member for Epping Forest (Mrs. Laing) outlined her concerns in relation to GM schools. I know that Labour Members have castigated Conservative Members for daring even to mention grammar schools and GM schools. Of course, they are not the only schools, but, at the moment, they appear to be the only ones under threat, and parents and pupils are worried—I return to that word "worry". The White Paper has worried many people. If they are worried unnecessarily, the Minister will have an opportunity to allay those fears. We would welcome that.

Various Labour Members criticised me and my colleagues for not participating in this spirit of partnership and co-operation. That is not true. We have been straightforward about the parts of the White Paper that we support and will continue to support, but, again, one of the issues that worry people, as has been demonstrated in the debate, is where the additional funding will come from, particularly the additional funding that will evidently be required by LEAs to carry out all the new responsibilities that the White Paper will empower them to carry out.

I invite the Minister, in a spirit of co-operation, to participate in some partnership with Conservative Members. I am aware that the shadow Secretary of State for Education and Employment, who is not here today because he is speaking at an education conference, is writing to the Secretary of State for the Environment, Transport and the Regions inviting him to announce immediately what the education part of the standard spending assessment for LEAs will be for the next financial year.

The Chancellor of the Exchequer has announced that there will be additional funding on top of the funding that was already stated in the Red Book. Therefore, there is no need to delay announcing what LEAs will have in their budget for the next financial year. If the Chancellor is as good as his word, that detailed information could be given to them now, so that we could allay the concerns of teachers and governing bodies. They have, of course, welcomed the fact that the Government have announced more education expenditure for the next financial year, but the big question is how much of it will be held back by LEAs to perform their own duties and exactly how much of it will go into the classroom. That question applies also to the amount of additional money that the Chancellor has earmarked for capital expenditure for the repair and maintenance of schools.

Now that the funding has been put into the public domain, there does not seem to be any reason why the Government cannot inform each LEA what its budget will be for next year, so that it can start to inform schools exactly what their budget will be next year. Otherwise, I fear, we shall have yet another few months of more worry, more fear and more uncertainty for teachers and governing bodies. There is an opportunity for the Minister, in partnership with the Opposition, to persuade the Chancellor to make that information available as quickly as possible.

2.8 pm

The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris): I thank all hon. Members who have contributed to the debate. The White Paper contains our plans for this Parliament and, I hope, beyond and we welcome contributions, from whichever quarter they come. Many of them have been good. I acknowledge that many Opposition Members have welcomed aspects of the White Paper and, rightly, been critical of other parts. That is their role in the House and outside, but I welcome the spirit in which many of them have come to the House: with a concern for education and children and a willingness to look at the White Paper. That is the feeling that we want to create over the consultation period. The White Paper sets out our ambitions for education, and describes the policies that will help to realise those ambitions. By proposing to engage in the widest possible consultation, we have acknowledged that the only way in which we can ever get it right is by using the energies, ideas and commitment of all partners in the education service, no matter what their political background.

As well as writing to every school, asking teachers to consider the White Paper, my right hon. Friend the Secretary of State has invited schools to hold meetings with parents to make sure that they are fully aware of the Government's wishes and are fully involved in contributing to what I hope will be a national debate.

We recognise the important role of governors. My hon. Friend the Member for Upminster (Mr. Darvill) praised the new role of governors and rightly reminded us that they have many responsibilities. Although I heard what he said, I am afraid that we have put a further burden on them because the Secretary of State has asked that they, too, should meet to discuss the White Paper. We acknowledge the work currently done by governors. When the relationship between the governing body and the school is right, it is a tower of strength for the good of the children. When it is not right and when governors feel that they are burdened down with paperwork, it is a matter for concern. Governors play a special role in our education service and I hope that they will comment on the White Paper.

Ministers and officials in the Department have already started to present the White Paper's ideas at events throughout the country. After people have had time to read it and think about its ideas—over the summer holidays, if they have nothing else to do—we plan to hold several regional conferences in September at which I and fellow Ministers will be present to listen and discuss further.

I hope that if local consultations take place, hon. Members will want to take part in them. I am sure that even hon. Members who do not belong to the Labour party will want to listen to teachers, parents, governors, industry and employers in their areas. We shall treat comments from them in the same spirit of partnership and hope for the education service as comments from my hon. Friends. We shall use the results of the consultation to build on the White Paper's proposals, and the legislation that we shall need to implement some of those proposals will be formulated in the light of consultation responses. However, there are actions that we can take without legislation that will allow us to act quickly and effectively in focusing on some of our priorities.

I should like to go into greater detail on an aspect of the White Paper that was mentioned by my hon. Friend the Member for Barking (Ms Hodge) and, I think in my absence, for which I apologise, by the hon. Member for Bath (Mr. Foster). I shall respond to some of the issues

that they raised. They spoke about early years education. We must get that right. It is no coincidence that we lag behind some of our major competitors in terms of the percentage of children who receive early years education and in the percentage of our young people who gain external education qualifications.

The evidence about the importance of a child's early years is clear and has been there for some time. Despite that, for 17 years the Conservatives failed to do anything to promote good quality early years education. What action they did take, they got badly wrong. I should have preferred them to carry on doing nothing, but what they did resulted in the mess that we have picked up. Answering the needs of young children and their families is not done by leaving them to the market or by setting up expensive bureaucracies. The nursery voucher scheme wasted millions on bureaucracy and advertising, and resulted in providers competing for children, and parents scrabbling for places.

Pre-school facilities in some of the pilot authorities closed down and, throughout the experience, there was no evidence that a single extra place was created for three and four-year-olds. To put matters right, an essential first step was to abolish the nursery vouchers scheme, and that is what we have done.

The White Paper outlines what we will do next. The world has changed since the previous expansion of nursery education, which was as long ago as the 1950s and 1960s. The traditional nursery provision of half a day a week is no longer suitable for many parents, who have to or choose to work.

When my hon. Friend the Minister for School Standards opened the debate, he said that investment in learning in the 21st century was the equivalent of investment in the machinery and technical innovation that were essential to the first industrial revolution. That is why the highest quality of education must remain at the centre of our early years programme and why the White Paper says that staff training and qualifications for early years providers, as well as ensuring that a qualified teacher is involved in each early years setting, is a matter of importance on which we want to seek views in the next few weeks.

Our early years service must support families as well as children. We must begin to try to bring together day care and early years education to create an integrated early years provision. I readily accept—perhaps this is the worry factor that the hon. Member for Tiverton and Honiton (Mrs. Browning) referred to—that there is much in the White Paper that is ambitious and sets high standards.

If we are to achieve those standards, we must have a new approach, based on collaboration, partnership and accountability. That is why each local authority, together with local private and voluntary providers, will set up an early years forum to plan—yes, to plan—the provision of local education and child care.

The forum will need to represent all who have an interest in early years education, including employers, health workers and parents. Our plans for early years aim high and are, quite honestly, more far reaching than those of any previous Government, but we can demand no less if we are to do the best for the next generation of children.

To deliver our pledges, we must bring together all the providers, from whatever background, and all the skills and interests that are involved. I want to reassure hon. Members, especially Conservative Members, that no providers from any sector—from the private or the voluntary sector—need fear being squeezed out in our approach to planning early years provision, as long as they offer the quality that we are looking for.

When the early years development plans come to the Department for approval, as happened with the 79 interim early years development plans that we announced on Monday, we will be looking for evidence of that partnership and that consultation. No interim plan was approved that did not make it clear that it involved in its partnership all those providers, in the voluntary and private sectors as well as the public sector, that had been in receipt of what I call voucher-bearing children.

That is a sign of our intent. It is not about squeezing out, but about planning and working together so that we do not have provider competing with provider for a child to come through its doors. I make no apology for planning in that respect; it is in the interests of the children whom we seek to serve.

I share the concerns of the hon. Member for Bath about some of the four-year-olds in reception classes, but I would not say that it is always wrong for four-year-olds to be in a reception class. We must ensure that their experience there is appropriate to both their age and their stage of development.

I want to approve plans not on the provider's label but on the quality of provision. We would not approve the plans of any local authority that seeks to meet our demand for places for four-year-olds by hoovering them all up into reception classes, regardless of the quality of their education. Early years development plans that offer nothing more than that will be sent back rather than financed. The 79 that I have looked at in the past two weeks did not do so; they reveal a spirit of partnership and the desire to get early years plans right.

Perhaps I should apologise for spending more time on this issue than on others, but, for the first time in our history, we could be about to tackle the real issue that could help our under-eights—I choose that year advisedly because the early years continuum does not stop at the age of five.

There are three things that we should try do. We should try to get the quality of education right for our young children to give them the best start. We should support parents in the difficult task of parenting so that we can renew communities. We should support parents who want to work. If we do those things, we will do an awful lot not just to improve the quality of our education service but to help re-establish the fabric of our communities and meet the hopes and aspirations of many parents for their children and their own working intentions.

Mr. Brady: I have a particular interest in the subject, as the father of a four-year-old daughter and as one of the beneficiaries of the nursery voucher scheme. I thought that it was excellent, as did the other parents who send their children to my daughter's private nursery. I am slightly baffled by the Minister's remarks. If the only plans that are to be approved are those that include the private providers who have been involved in the nursery voucher scheme, can the Minister explain the precise difference between a voucher scheme and a certificate of entitlement scheme?

Ms Morris: It is true that, in the interim plans for this year, we do not want to disrupt children's education.

[Ms Morris]

Those who are in nurseries this term in the private and voluntary sectors on the voucher scheme, as the hon. Gentleman's daughter may be, will be able to continue as such if they are still attending the nursery in the autumn and spring terms.

One of the vagaries of the voucher scheme was the fact that 80 per cent. of children were in maintained provision. Their parents found that they had to give a voucher over for an education which previously they had just turned up at the school to receive. There was no justification for that. For those 80 per cent. in the maintained sector there will be no vouchers, no paperwork, no bureaucracy and no time, money and effort wasted. Within a year, we will be able to make sure that that is true for all children because we will have a development plan in every local authority area.

We accept that we gave local authorities just six weeks to prepare their interim plans. We did not want them to do that badly and to start off on the wrong foot. If there is an interim plan, the problem has been solved because the money will go straight to the voluntary and private-sector providers. In those areas that do not submit an interim plan, and because we want to honour our pledge of continuity of education for four-year-olds, we must have a short-term mechanism to operate until the next year when they have such plans. That will ensure that the money gets to the private and voluntary sectors. That is where the certificate of eligibility comes in; it is a short-term solution to a short-term problem and is not part of our long-term plans.

In the time available, I will be unable to answer all the points that have been raised today, so I will endeavour to respond by letter to those that I fail to mention. A number of hon. Members spoke about the notion of equality. If there is one thing that splits the Conservative and Labour parties—I am sure that the Liberal Democrats are with us, although they might sit on the fence—it is what equality means.

I have never thought that all children are the same, that they will reach the same standard of attainment or that they have the same skills or knowledge, but I have always been opposed to a structure that does not offer them equality of opportunity. That is what we are about. We want to try to create a structure—in this sense structure is important—to make sure that there is equality of opportunity. This country has never managed to achieve that. Historically, we had a structure that gave opportunity to the wealthy, and then one that gave opportunities only to males; it would have ignored me and the hon. Member for Tiverton and Honiton.

When I was at school, in a highly selective system, the structure valued some children more than others by having better qualified teachers in grammar schools than in secondary moderns and by not allowing children who failed at 11 to take examinations at 15. That is a thing of the past, but even in the structure set up by the previous Government, there was unfair funding in the grant-maintained sector and a belief that we needed only some children to succeed to survive as a nation. We want a structure that ensures equality of opportunity for every child, but we acknowledge that every child will achieve to different levels and show different skills and talents.

We received some criticism from the Opposition about targets, which are crucial to the work that we want to do. I go back to a comment of my hon. Friend the Member for Barking, which was supported by the Liberals. She said that part of the problem in the education system is the complacency of schools that are doing just about all right. They languish in the middle of the league tables; they manage by getting kids through their doors and churning out enough to get reasonable reputations in their communities. We must target our wish for improvement on them as much as on our best and worst schools. The only way to do that is to make schools set targets year on year, so that, each year, they aim to surpass their previous standards. There probably is a limit to the height that a school can reach, but that glass ceiling is always higher than the school thinks. Targets must notch standards up year after year.

Mr. Bercow: We do not tackle the problem of failing to meet targets by levelling down and treading on institutions that are already doing well. Nothing in the Minister's speech so far has allayed my concern about the Government's likely treatment of grant-maintained schools, of which the Minister for School Standards is a long-time sworn enemy. Is there the slightest prospect that she will say something to allay my grievances?

Ms Morris: I shall first continue to discuss targets. I cannot imagine how anyone could have interpreted what I have described as levelling down. It is about notching up. Local education authorities are important in target setting. Schools run, and are responsible for, themselves. They carry the burden of raising standards. The very fact that there are so many complacent schools means that we need a mechanism, a voice over the shoulder to say, "Come on, that target is not good enough."

Schools are setting targets that are too low. We have to make them set higher targets if we are to rock them out of their complacency. The role of a good adviser and of good local authorities is to do that and give schools benchmark information.To answer the hon. Member for Bath, that is why it is important that the information collected by Ofsted is made available to all concerned to notch up expectations. Unless we all, central Government and local authorities, work together to persuade schools that they can do better, we will not make it. The Opposition call that centralisation; we call it harnessing the forces for school improvement. Through our standards and effectiveness unit and the standards task force that is what we seek to do.

I value the standards and effectiveness unit and the standards task force highly because they are not there as a bureaucracy but as a bridge between central policy making and the schools that are delivering the goods to ensure that never again will a Government Department become so removed from the people affected by its decisions. We will form policy by listening to what is said out there. The standards and effectiveness unit has one leg in central Government, but a fair bit of the rest of its body out there with real schools, pupils and teachers.

There are some excellent grant-maintained schools. Long may they continue to be so. There are some excellent local authority schools, but there has been

unfair provision in terms of both capital and revenue. It was interesting that the hon. Member for Beckenham (Mr. Merchant) talked about the problem of admissions caused by people coming over the border into his area.

The hon. Member for Altrincham and Sale, West (Mr. Brady) was concerned to ensure that his children could attend a school in another local authority area. There are problems involving admissions that need to be addressed. They were caused by the fact that individual schools were allowed to make separate decisions.

I shall address in due course other issues that have been raised in the debate. I thank hon. Members for contributing to the debate, which will be the first of many. Now is the time for us to join in a common agenda of raising standards. If Parliament and politicians do no more than attempt to give each child in every school the best possible education, we will have achieved a fair deal for children, parents and employers.

Mr. Greg Pope (Hyndburn): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

DOMESTIC COMMITTEES

Ordered,

That Standing Order No. 142 (Domestic Committees) be amended, in line 9, by leaving out the word 'seven' and inserting the word 'nine'.—*[Mr. Pope.]*

FINANCE AND SERVICES COMMITTEE

Ordered,

That Standing Order No. 144 (Finance and Services Committee) be amended, in line 18, by leaving out the word 'nine' and inserting the word 'eleven'.—*[Mr. Pope.]*

MINISTERIAL AND OTHER SALARIES BILL

Ordered,

That, in respect of the Ministerial and other Salaries Bill,—

(1) notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time; and

(2) if the Bill is committed to a Committee of the whole House, further proceedings on the Bill shall stand postponed; and that, as soon as the proceedings on any Resolution come to by the House on Ministerial and other Salaries Bill [Money] have been concluded, this House will immediately resolve itself into a Committee on the Bill.—*[Mr. Pope.]*

LAW OFFICERS BILL [*LORDS*]

Ordered,

That in respect of the Law Officers Bill *[Lords]*, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*[Mr. Pope.]*

Area Cost Adjustment

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

2.30 pm

Mr. Andrew Lansley (South Cambridgeshire): I am grateful for the opportunity to raise an issue that is of great importance to my constituents and to other hon. Members. My predecessor in the House, Sir Anthony Grant, raised the issue in the House with Ministers on several occasions and I pay tribute to his efforts in that regard. At the time of the last revenue support grant allocation, he received positive indication that action would follow from the Elliott review of the area cost adjustment. I now wish to encourage Ministers to grasp the nettle and implement the review.

It may be for the convenience of the House if I explain briefly why the review was needed and why it should now be implemented. It is generally agreed that the standard spending assessment system needs to adjust for unavoidable, externally generated—that is, external to the management of the local authority—differences in cost between different parts of the country. The area cost adjustment within the SSA formula is intended to adjust for differences in employment costs, reflecting real differences between earnings in different areas. However, in effect the current system assumes that there are no differences in cost between local authorities outside the boundaries of London and the south-east. Within London and the south-east, differentials are allowed in three broad areas—inner London, outer London and the south-east counties.

The present system has led to substantial differences in SSA and, hence, in revenue support grants between authorities. Those differences are insupportable in relation to the relative costs in those areas. Those "cliff-edges" between authorities create enormous discontent. The Elliott review team pointed out that

"a particularly strong criticism of the present arrangements was the phenomenon of 'cliff-edges' whereby adjoining authorities, which were perceived to have similar labour markets with comparable cost levels, received markedly different labour cost adjustments."

To those who live in Cambridgeshire, especially South Cambridgeshire, the proposition that local labour market costs are higher in Bedfordshire than Cambridgeshire is obvious nonsense.

When my right hon. Friend the Member for Skipton and Ripon (Mr. Curry) was Minister with responsibility for local government, he rightly commissioned Professor Elliott and his review team to look again at the area cost adjustment. The Elliott review concluded that regional pay premiums could be identified using labour force survey data adjusted for factors such as education, qualifications and the industrial or occupational make-up of an area and that this could be disaggregated down to county level outside London.

The approach that the Elliott review advocates, known as the general labour market approach, is based on the proposition that local authorities compete for staff in the general labour market. That is intuitively right and is supported by evidence that was adduced by the Elliott review that pointed to ways in which authorities used the flexibility in national pay scales to adjust to local labour market conditions or accepted differences in employee qualifications and tenure in order to make such adjustments.

On 27 November last year, the then Secretary of State, my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), acknowledged that the review was

"the most comprehensive examination of the subject that has been undertaken".—[*Official Report*, 27 November 1996; Vol. 286, c. 339.]

He accepted that further technical work was required before the review could be implemented. On 3 February this year, my right hon. Friend the Member for Skipton and Ripon reinforced the then Government's intention of proceeding towards a workable mechanism to be included in the standard spending assessment as soon as possible.

Two elements of further research are under way. One deals with obtaining labour force survey data for the relevant base year. That should be technically achievable, either directly or by close comparators. The second element, concerning the geographical definitions used for these purposes, is the more significant in policy terms. Although there is every reason in equity to pursue a solution at district level—for example, within the current county boundaries of Cambridgeshire, to assume that labour costs are higher in south Cambridgeshire than in Peterborough—implementation of geographical definitions down to district level should not be used to hold up implementation of a more workable solution at county level.

One piece of research not being undertaken is the question of the interaction of national pay scales—for example, for police or teachers—and local labour market conditions. It may be that the adjustment in costs and quality is not so great as the general labour market approach implies and may not go as far as if no national pay scales existed. Therefore, there may be some differences between authority costs where national pay scales apply, just as there would be in an open labour market in which no national pay scales applied. However, that a substantial adjustment towards local labour market conditions is undertaken by authorities is undeniable. That can be seen in the way in which, within national pay scales, staff move between authorities, and in the way in which certain bodies such as teachers' employers have to employ more junior staff or release more expensive teachers. Interestingly, the national health service revenue resource allocation system has an equivalent to area costs, which is adjusted for national pay scales. Even if there were to be some subjective abatement of the result from the general labour market approach advocated by the Elliott review, that is again not something which should prevent the acceptance and implementation of the review more generally.

That brings me to the current position. In May, the Minister for Local Government and Housing courteously met an all-party delegation from Cambridgeshire, but was not then in a position to offer any specific assurances. I hope that, in reply to this debate, the Under-Secretary of State, the hon. Member for Greenwich and Woolwich (Mr. Raynsford), will be willing to say more and put on record the Government's intention to implement the review in time for the next financial year. That would simply be to give effect to the commitment made on 30 April 1997 by the current Prime Minister when he was still Leader of the Opposition. When asked by the *Cambridge Evening News* whether he would reform the area cost adjustment, he replied:

"We will review the Area Cost Adjustment in time for the next financial year."

In relation to Cambridgeshire, he added:

"Changes in line with the recent Elliott review would bring the county an extra £10 million."

Moreover, it is not only Cambridgeshire that would benefit, but many other authorities that have not received the grant support that they deserve.

Mr. Edward Davey (Kingston and Surbiton): Is the hon. Gentleman aware that the borough in which my constituency lies would benefit significantly from the Elliott review? Indeed, it would benefit by £2.7 million under one of the geographical proposals put forward by the review. Although he has been advancing the case in favour of the counties, many outer London boroughs such as Kingston-upon-Thames are manifestly prejudiced by the current area cost adjustment.

Mr. Lansley: The hon. Gentleman makes a good point. Indeed, I was about to refer to it. Even in the outer London borough of Hillingdon, which is a beneficiary of the current area cost adjustment as it falls within the London area, implementation of the Elliott review, which would mean labour costs could be disaggregated to a lower level, would add £5 million to the SSA. I entirely agree with the hon. Gentleman that part of the argument is that there should be such adjustments and that the present area cost adjustment does not take that into account.

Other authorities would lose out. It is often said that this is a zero-sum game, but that is no reason to do nothing. There is every point in getting on with this. The standard spending assessment system is intended to evaluate the cost of providing a given level of service and enabling grant to be distributed to equate that to a standard council tax level. If the SSA is not accurate in measuring the costs falling on an authority, it will be wrong; hence the grant received will be inadequate to maintain that given level of service.

It is no surprise, therefore, that Cambridgeshire has to spend over its SSA and has done continuously over the years, but struggles to maintain service levels. As the SSA underestimates the real cost of providing services in Cambridgeshire, those services are under pressure. It is right and necessary, therefore, to implement those changes. Not to do so is justice delayed, and justice delayed is justice denied.

I hope that the Local Government Association will have regard to our debate and support my proposal. Before the election, Ministers were inhibited from proceeding with the Elliott review not only because of the need for further technical work, but because local authority associations disagreed—two were convinced by the methodology of the review and two expressed themselves unconvinced. Having created a single voice for local government within which the issues can be resolved, it is important that the Local Government Association looks beyond the parochial interests of given sets of authorities to what is an obvious fairness in the system, which is to make the SSA and the area cost adjustment within it, more equitable in the treatment of labour costs.

I also hope that the Minister will today give us a commitment to implementing the review and will respond positively to my argument. I am grateful to the House for this opportunity to make the case for a fair deal for Cambridgeshire.

Mr. Graham Brady (Altrincham and Sale, West) *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. For the hon. Gentleman to intervene in an Adjournment debate, he has to have the permission of the mover of the motion and the Minister. If he does not have that permission, I must call the Minister.

2.41 pm

The Parliamentary Under-Secretary of State for Environment, Transport and the Regions (Mr. Nick Raynsford): I am grateful to the hon. Member for South Cambridgeshire (Mr. Lansley) for raising this important subject and I congratulate him on his good fortune in securing the debate.

The area cost adjustment is an important part of the standard spending assessment. The Government are committed to a fair distribution of Government grant and we want to ensure that we have an area cost adjustment mechanism that works correctly.

I realise that issues connected with local government are of particular importance in Cambridgeshire at the moment as the county prepares for local government reorganisation. My Department has recently published indicative SSA figures for all reorganising local authorities, which should help Cambridgeshire county council and the new Peterborough unitary council in their planning.

Before I discuss the area cost adjustment, I must remind the House of some of our other actions on local government finance issues. In that area, as in so many others, we are pressing ahead with important changes to honour our commitments.

First, on local government spending, if we are to have high-quality local services, local government needs adequate resources. The previous Government left plans for total local government standard spending that were inadequate. We have responded to that challenge.

In the Budget, my right hon. Friend the Chancellor announced that an additional £835 million would be taken from the contingency reserve for 1998–99 and passed on to English local government in education SSAs. That is a huge boost to local government and to education. It has been achieved within the overall spending plans left to us by the previous Government. I trust that local government will make the best possible use of those extra resources.

We also recognise that capital spending is needed as well, and £1.3 billion from the welfare-to-work programme will be spent on improving school buildings and equipment during this Parliament. At present, we are legislating to clarify local authority powers to enter into public-private partnerships and we are enabling local government to use nearly £800 million of additional resources for housing in England, through the Government's capital receipts initiative. Those initiatives will ensure that local government has the financial resources required, this year and next, to provide local services—especially education—to the high standard that we all expect.

In central-local government relations, we intend to forge a new relationship with local government. We have signed the Council of Europe's charter on local self-government. That is a pledge of our commitment to forge a new and constructive partnership with local government at home.

Local government has a central role to play in tackling many of the problems of local communities that we want to overcome. We recognise and believe in the importance

[Mr. Nick Raynsford]

of local government as an independent democratic institution. We want to reinvigorate local government in ways that encourage increased democracy, giving local people the chance to have more of a say in the affairs of their council; ways that encourage increased autonomy, giving authorities more freedom to take their own decisions; ways that encourage increased accountability, making elected representatives more visibly accountable for their actions; and ways that encourage increased partnership between central and local government and among local authorities and people, businesses and other groups in their area.

The Government are committed to building a new relationship between central and local government and to genuine co-operation and partnership. That was demonstrated on the morning of Wednesday 16 July 1997, at the first central-local partnerships meeting, at which my right hon. Friend the Deputy Prime Minister, six of his Cabinet colleagues and many Ministers—including me—met local government leaders for a wide-ranging and wholly positive discussion on several concerns and major issues involving local government.

The Government as a whole are committed to creating that spirit of partnership, and Ministers throughout Whitehall are involving local authorities in discussions on their policies and recognising the important role that they can play in helping to deliver the Government's programme.

I shall now discuss standard spending assessments. In our manifesto, we recognised that the changes in relationships that we envisage could not take place without changes to the local government finance system. We have set ourselves a challenging programme, on which we are making progress.

As part of that programme, we are examining standard spending assessments in the light of our commitment to a fair distribution of Government grant between local authorities. We are already discussing a range of options for change with local authority representatives in the SSA sub-group. If a good case is made for making changes, we shall in due course propose to make changes that will affect the 1998-99 standard spending assessments.

Although I am keen to make standard spending assessments fairer, I want to be sure that any changes are a genuine improvement and that they will be durable, before we put them in place. The last thing that the Government should do is to make hasty changes that prove unsatisfactory and need later amendment. That brings me to the area cost adjustment.

The hon. Member for South Cambridgeshire has set out a strong case for the way in which the area cost adjustment, as it is currently organised, works to disadvantage Cambridgeshire. He suggested that introducing the proposals of the Elliott review, which examined the area cost adjustment last year, would make the system fairer. I know that that issue is taken very seriously indeed in Cambridgeshire.

The hon. Member said that he and some colleagues had met my hon. Friend the Minister for Local Government and Housing in, I believe, May 1997 to discuss that issue. I believe that the discussion was constructive, although, as the hon. Gentleman said, my hon. Friend was unable to give commitments, because of factors to which I shall refer later.

For many years, hon. Members representing Cambridgeshire have consistently expressed concern that Cambridgeshire falls just outside the south-east region and so does not qualify for the area cost adjustment. As the hon. Member for South Cambridgeshire said, that is referred to as "the cliff edge phenomenon". I find it slightly ironic that what is probably one of the flattest counties in England should be treated as part of a cliff-edge group, but I understand that in this case the cliff is metaphorical. I understand the concerns of hon. Members representing Cambridgeshire and other areas that fall just outside—

Mr. Brady: I thank the Minister for his kindness in helping me through the procedural ignorance that I demonstrated earlier. I am keen that he should appreciate the case that can be presented by authorities lying some way away from the cliff edge. My own borough of Trafford would benefit to the tune of £2.36 million on this year's SSA under the Elliott proposals. I am keen that the case for the north should be heard.

Mr. Raynsford: The hon. Gentleman makes a fair point. In arguing the case, he further reinforces the fact that we are talking about a metaphorical cliff, rather than a cliff that occurs around any one region. There are authorities in the north that would stand to benefit from the changes proposed by the Elliott report. The new map that would apply would not have the same simple cliff edge that applies currently with the area cost adjustment.

I understand the concerns about areas beyond the current cliff edge, although that is a problem that cannot be avoided when boundaries are drawn. One of the pieces of research that my Department has commissioned this year examines issues specifically relating to the geography of the area cost adjustment. We need to take account of those factors before reaching firm decisions about the future.

The area cost adjustment element of standard spending assessments seeks to allow for higher unit costs faced by local authorities in some parts of the country. If allowance is not made for extra costs, an authority will be less able to meet the needs of residents than authorities elsewhere with lower costs. Equally, we must be careful not to overcompensate authorities with higher costs, as that would inevitably work to the disadvantage of authorities elsewhere.

As the hon. Member for South Cambridgeshire pointed out, we are dealing with a zero sum process. Therefore, an adjustment that increases the allowance for one area will work to the disadvantage of others. That is why we must be extremely careful not to overcompensate. We see the need for compensation, but it must be a scrupulously fair arrangement, or it would rightly prompt expressions of concern from authorities that stood to lose.

The current method of calculation considers higher costs only in the south-east region relative to the rest of England. It looks at information from the new earnings survey on the relative level of earnings in a series of occupations relevant to local government employment. These are taken as estimates of the extra costs for which local authorities in the south-east should be compensated.

This method of calculating the area cost adjustment has been the subject of much criticism—much of it entirely justified—from various groups within local government.

To seek a way forward on the area cost adjustment, the previous Government commissioned a review of the area cost adjustment, chaired by Professor Robert Elliott of Aberdeen university.

The review reported in July 1996. It considered a wide range of issues. It involved the local authority associations in its work, it invited all local authorities in England to comment and it commissioned several detailed studies from consultants. The review recommended a new method of calculating the area cost adjustment—the regional pay premium approach.

However, the proposals did not meet with agreement in local government. As the hon. Member for South Cambridgeshire acknowledged in his speech, unhappiness was expressed in various quarters. All four local authority associations asked that the review's recommendations should not be implemented for 1997–98 SSAs. There were three broad issues on which the review did not produce a generally acceptable conclusion.

First, the review did not convince critics that the system recommended by the review team would not overcompensate some authorities. Concerns remain in local government about exactly how far variations in labour costs depend on wage scales, and how far they depend on other costs of employment. That is a complex and difficult subject, but, given the zero sum process, it is understandable that those concerns must be given serious weight. Secondly, the geography of the review's proposals proved contentious. Thirdly, there was a technical concern about the correct data to use in the statistical analyses underlying standard spending assessments.

In response to those concerns, my Department has commissioned additional research to examine the issues involved. That research is due to report soon. Once we have the results, we will discuss them with the local government associations. We shall need to see how far the concerns expressed last year have been dealt with adequately by the further studies. I hope that the hon. Gentleman will appreciate that, as I have not seen the research—it is not yet available, although it is expected imminently—I cannot provide the commitment that he seeks. However, I assure him that we shall study the further surveys carefully and discuss them, as a matter of urgency, with the local government associations. We shall not be precluded from taking decisions at the earliest opportunity about possible adjustments that might be appropriate.

As I have said, we will need to be convinced that any changes and improvements to the system are durable and well grounded technically. At present, it is too early to say whether the further research we have commissioned will meet those criteria. I cannot, therefore, give a commitment that we shall move to adopt the Elliott review's recommendations, or any proposals arising from them. However, I repeat my conviction that a fair distribution system for government grant is a very important goal. If a strong case can be made for a change to standard spending assessments, we will seriously consider implementing it.

Question put and agreed to.

Adjourned accordingly at five minutes to Three o'clock.

House of Commons

Monday 21 July 1997

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

Millennium Projects

1. **Ms Blears:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the long-term value of the millennium projects. [7496]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): The Millennium Commission's legacy will include projects all across the country worth about £3 billion. These range from new art galleries and science centres to hundreds of village halls and community greens. The commission's millennium awards for individuals will also provide opportunities for thousands of people to achieve personal aspirations while putting something back into the community.

Ms Blears: As the Secretary of State is aware, we recently launched the construction of the national landmark millennium project for the arts in Salford—the Lowry centre—a unique combination of the performing and visual arts which brings together creativity and imagination in a way never done before. It will create 6,500 jobs in Salford. Will the Secretary of State tell the House what he considers to be the long-term benefits of the Lowry centre?

Mr. Smith: My hon. Friend is absolutely right to draw attention to the enormous benefits that will come from the Lowry centre. It is one of 12 landmark projects across the country. It will provide jobs, entertainment and education, and it will provide a major new resource for the people of her area. I very much welcome the development of the Lowry centre, as I am sure she does, too.

Mrs. Virginia Bottomley: I was very pleased to have been at the launch of the Lowry centre. Will the right hon. Gentleman confirm that there has always been bipartisan agreement on the Millennium Commission and that there was always an Opposition Member on it? Does that not make all the more disgraceful and deplorable the six months of shenanigans over the major event—the millennium exhibition at Greenwich—which have achieved no change in the five conditions apparently set out but merely jeopardised the project and made sure that Mr. McCormack has to work even harder for his very substantial commission?

Mr. Smith: I pay much tribute to the role that the right hon. Lady played on the Millennium Commission in developing the various landmark projects around the country, but I pay rather less tribute to her question. The millennium exhibition at Greenwich will be going ahead. It was important that we reviewed the position, as we said we that would immediately on coming into office, and the review is now complete. We have identified a number of aspects of the exhibition which will be fulfilled, such as having a permanent legacy and its being completed at the cost prepared for it. I am delighted that the right hon. Lady's colleague, the former Deputy Prime Minister, is now the Opposition nominee on the Millennium Commission.

Mr. McNamara: Is my right hon. Friend aware of the leaks in the newspapers last week about threatened cuts to provincial projects for the millennium? Is he aware that in many areas the projects will not only bring about regeneration but will create jobs, have a very important educational, scientific and cultural interest and, in Hull, create an international centre for marine studies? Will my right hon. Friend confirm, first, that no specific decision has yet been taken by the Millennium Commission and, secondly, that no money is being shovelled out of the provinces to the capital, thus favouring the capital at the expense of the provinces?

Mr. Smith: I can indeed confirm those two points. There was some inaccurate reporting in the newspapers last week, not for the first time, about these matters. The Hull project to which my hon. Friend refers and, indeed, a wide range of other projects are still under active consideration for round 3 of the Millennium Commission's work. The proper detailed appraisals are going forward in the normal way and announcements about them will be made in three or four months' time.

Works of Art

2. **Mr. Fearn:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on plans to encourage local authorities to sell minor works of art, purchased by past local authorities, which have not been on public display for over 20 years. [7497]

The Minister for Arts (Mr. Mark Fisher): That is a matter for local authorities to decide. Disposals from museum and gallery collections need special care, and I hope that any local authority would take into account the guidelines issued by the Museums and Galleries Commission.

Mr. Fearn: I do not want the family silver to be sold off, but would the Minister consider giving a directive to local authorities? Local authorities have works of art in their vaults and rooms, many of which have not come out for 50 years. I have been to several museums in the north-west, where many works of art have never been uncovered and lie rotting. Local authorities now have air conditioning and various other things to do. There should be a directive saying that a local authority could sell such works or bring them out for viewing by schools. There would then be some direct remuneration to the authority.

Mr. Fisher *rose—*

Madam Speaker: Order. I have not heard a question yet.

Mr. Fearn: I asked about a directive.

Madam Speaker: Do you want a directive or do you not want a directive? I am sure that the Minister can make a small response.

Mr. Fisher: I hope that the hon. Gentleman is wrong to say that works of art are rotting. I am sure that directors of museums all over the country make sure that everything in their collection is well preserved. The hon. Gentleman has made an interesting point. We want to ensure that anything held by a museum is as widely accessible as possible, particularly to young people. There is great potential for work with schools and communities. However, I have no evidence that the basements and stores of local authority museums are stuffed with undiscovered treasures. I will seek the views of the Museums and Galleries Commission and the Local Government Association. The MGC has laid down very good guidelines for local authority museums.

Mr. Alan Clark: I hope that the Minister will not issue a directive. Which guru will judge what is a minor or major work of art? The purpose may be to raise money, but, as the Minister well knows, it is not long since paintings from the Alma-Tadema and pre-Raphaelite schools were regarded as worthless, but now they are fetching millions. If such a directive were issued, in about 20 years all the Lowry paintings in the museum mentioned by the hon. Member for Salford (Ms Blears) would be swept out and put on the market.

Mr. Fisher: I assure the right hon. Gentleman that the MGC guidelines are adequate for the time being. I shall not issue a directive. I am glad that the right hon. Gentleman has learnt so well from his distinguished father and understands how fashions and valuations vary. Sir Denis Mahon often picked up now priceless Guercinos for his magnificent collection, recently at the National Gallery, for very small sums in the 1930s. Hon. Members on both sides understand how such matters change.

Madam Speaker: If I call Sir Patrick Cormack, do you think that I might get a question rather than a comment?

Sir Patrick Cormack: Does the hon. Gentleman agree that there is no greater deterrent to potential donors than museums carelessly disposing of their assets?

Mr. Fisher: I entirely agree.

Madam Speaker: Well done.

Millennium Projects

3. **Mr. Skinner:** To ask the Secretary of State for Culture, Media and Sport how much has been allocated by the Millennium Commission to projects to mark the millennium. [7498]

Mr. Chris Smith: The Millennium Commission has allocated £993 million to 111 capital projects and a further £19 million to 13 partner bodies making millennium awards to individuals. In addition, a grant of £400 million has been agreed for the new millennium experience at Greenwich, giving a total allocation to date of £1.4 billion.

Mr. Skinner: Why has the proposal for Cresswell Craggs in my constituency not been allocated any money? It is the northernmost part of the hemisphere that relates back to the ice age. Can we really expect to sustain an expenditure of £400 million for the polystyrene dome at Greenwich? It will probably cost double that before it is finished, now that we know that a tube station has found its way into the middle of it. Will my right hon. Friend bear in mind the fact that he may not be able to find money for hospitals and other things that would mark the millennium in a much more decent fashion for millions of people around the country? He should remember the song about the folly of years gone by, in which the man who had once built a tower to the sun asked:

"Brother, Can You spare a Dime?"

Mr. Smith: As I suspect that my hon. Friend knows, the Cresswell Craggs application was made to the heritage lottery fund and not to the millennium fund. There are a number of problems outstanding in connection with that project, not least of which is the fact that the land was privately owned and on a short lease. If my hon. Friend wishes to discuss the prospects for that project further at any stage, I shall be delighted to meet him to do so. I should point out to him, however, that decisions on such matters are the responsibility of the distributory bodies and not of the Government.

In relation to my hon. Friend's point about the millennium exhibition at Greenwich, I simply point out that about 2,500 new jobs will be created during construction and a further 5,000 during the life of the exhibition. In addition, the British Tourist Authority has estimated that some £500 million of overseas revenue will be drawn into Britain as a result of the exhibition. That estimate is almost certainly very low.

Mr. Collins: Might not one appropriate way to mark the millennium have been to include the word "tourism" in the Department's new name, as tourism is the largest industry for which the right hon. Gentleman now has direct responsibility?

Mr. Smith: I draw the hon. Gentleman's attention to a press release issued by the British Hospitality Association, one of the major representative bodies in the tourism industry, in which the association says that:

"a name is only a name. What is far more important for the association is that we have such good relations with the Department, which we are determined to build on".

I whole-heartedly agree.

Industrial Heritage (Museums)

4. **Yvette Cooper:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the role of museums in preserving the industrial heritage. [7499]

Mr. Fisher: The industrial heritage is of immense importance to the understanding of our past. Museums clearly have a central role to play in its preservation.

Yvette Cooper: Is my hon. Friend aware of the vital contribution made to our national industrial heritage by

the national coal mining museum in the Wakefield district not far from my constituency? Does he agree that the children of Pontefract and Castleford mining families have a great opportunity in that underground museum to learn about their industrial and social history? What can be done to safeguard the future of the national coal mining museum?

Mr. Fisher: Yes, I know of the excellent work of that museum, which I have visited on more than one occasion. My hon. Friend is, of course, right to say that such museums are extremely important, especially for children in understanding the past of their region and where they came from.

My hon. Friend asked about safeguarding the museum's future. I am glad to say that the previous Government provided some money. The Museums and Galleries Commission and local authorities, together with the private sector, have contributed to the museum. The heritage lottery fund has offered 75 per cent. of the development costs of £1.3 million to see whether a way forward can be found for funding the museum.

My hon. Friend will, however, understand that mining museums have problems over and above other museums. Just to keep the underground site going, before one begins to consider the work of the museum, costs £340,000 a year. That is an additional cost over and above any educational, conservation or interpretive work. That is a major barrier. I am sure, however, that the director of the museum will continue the constructive dialogue that she has had with me and with others over the past few years. We are anxious to try to find ways forward so that the museum can prosper.

Mr. Maude: How does the Minister reconcile his two apparently conflicting policy objectives—that admission to the great museums, including the industrial heritage museums, should be free to the public, and that museum trustees should be free to set charges if they wish? Will he reassure trustees that his Department will not discriminate against those who decide, in pursuance of their public duties, that charges are the right policy for their museum?

Mr. Fisher: The right hon. Gentleman is right to say that trustees of museums have always decided and will continue to decide whether a particular museum charges for admission. There is no conflict between that duty on trustees and the Government's determination to pursue ways of ensuring the widest possible access for members of the public to the national collections—I emphasise that we are speaking of the core collections of the national museums, which have been collected with public money and maintained with taxpayers' money from all over the country. The two objectives are not in conflict.

Mr. Derek Foster: I commend my hon. Friend's extraordinarily imaginative and progressive decision to give national recognition to the Bowes museum and the Beamish open air museum, both in the county of Durham. May I invite him to go further and to work in his Department to unlock the fund raising that would assist those two museums to enhance the superb work that they are already doing?

Mr. Fisher: I am glad that my right hon. Friend finds those decisions imaginative. It is surprising how people find imaginative the work that benefits them and their constituencies. I am sure that that is shared throughout the House. My right hon. Friend is right to say that the Bowes museum is one of the great museums in this country. To anyone who cares about museums, it is hardly surprising that it was at the top of the list of the first wave of designation. That makes a premier division for museums. In asking how we can add value to that, my right hon. Friend raises an important point that we are currently considering. That must be the way forward for designating museums. They are benefiting from the added status. We must now consider and discuss with them how to add value to that status.

British Academy of Sport

5. **Mrs. May:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the British academy of sport. [7501]

The Minister for Sport (Mr. Tony Banks): I have visited all three sites and had discussions with the UK Sports Council and officials. I hope to make an announcement in September.

Mrs. May: Does the Minister recall that on 9 May, referring to the location of the British academy of sport, he said that there was no firm decision in his mind, but that it would not take him long to work it out. If a week is a long time in politics, what on earth is four and a half months? Why has it taken the Government so long? Why have they been sitting on the fence, given that the Minister of State visited the sites fairly soon after the election? What has got in the way of his coming to the House with a decision earlier than September?

Mr. Banks: The hon. Lady obviously has problems grasping the theory of time. The Government have been around for only nine weeks and I have been doing this job for only eight weeks. I have not yet made Minister of State, and I doubt whether I will, but I will settle for Parliamentary Under-Secretary. We have survived for a long time without a British academy of sport and it is essential to get it right. I have inspected the three sites, but it is a very difficult decision. I do not want to make a decision in such haste that I shall have to repent at great leisure. The decision will be made, and it will be made in the best interests of sport in the United Kingdom.

Mr. Grocott: In agreeing with my hon. Friend that it is important to get the decision right, may I draw his attention to the excellence of the submission from the central consortium, and the widespread support for that submission from both the east and the west midlands? Does he agree that one of the reasons why it is such a strong application is that it consists of a number of centres of excellence, including Lilleshall on the boundaries of my constituency? I know that my hon. Friend has been travelling around seeing as many centres as possible. When Chelsea are away at Aston Villa, for instance, and he has good reason to be in the west midlands area, may our hon. Friend the Member for The Wrekin (Mr. Bradley) and I invite him to come and see the work being done at Lilleshall, which I am sure will enable him to reach a speedy and correct conclusion?

Mr. Banks: And I know which decision my hon. Friend thinks would be the right one. There are three

excellent sites: that is the purpose of having a shortlist and what makes the task more difficult. Each site has some advantages and some disadvantages, and all three sites have proponents as strong as my hon. Friend. I assure him that no site is yet ruled out, and none will be ruled out until we rule out two when we take the final decision.

Mr. Hawkins: Does the Minister agree that, whichever site is chosen, it will be important to continue the previous Government's policy of regional academies for sport in addition to the national academy? Does he agree that the two unsuccessful bidders should immediately be invited to become regional academies? May I further ask the hon. Gentleman whether, as a new Minister, he feels comfortable working in a communist-style ministry of culture?

Mr. Banks: Once the central academy is set up, the need for regional centres will be essential. On the last part of the hon. Gentleman's question, when I ran the arts and recreation department on the Greater London Council I was referred to as the snarling tsar of culture. I am happy where I am.

Film Industry

6. **Mr. Jim Cunningham:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the progress made by the film review group. [7502]

The Minister for Film and Tourism (Mr. Tom Clarke): Following the film review group's first meeting on 3 July, co-chaired by Stewart Till of Polygram and myself, the six specialist sub-groups have been established and are drawing up detailed work plans for their specific areas.

Mr. Cunningham: What effect will the Budget have on the deliberations of the film review group, especially on the future of the film industry?

Mr. Clarke: The film tax concessions in the Budget were warmly received by the whole industry. Both the industry and my right hon. Friend the Chancellor accept that the concessions will provide the opportunity to improve the capacity of the UK film industry, increase the number of skilled workers in film and production and ensure that we have strategies to build on those skills and talents. That is how the industry will respond, thus justifying my right hon. Friend's confidence in it and its in him.

Mr. Nicholls: First, I welcome the fact that the Minister has shown more enthusiasm today for his brief than when he recently spoke to the all-party film group, when he made it clear that his indignation at not being in the Cabinet was not greatly reduced by his films portfolio. Will the Minister take this opportunity to say that he would reject any suggestion by the film review group for the Government to join the Eurimages project, which has so far failed to secure the widespread distribution of European films and has instead used substantial sums of public money to pile up a European film mountain of films that are unwatched and may prove unwatchable?

Mr. Clarke: I had planned to welcome the hon. Gentleman back to the Dispatch Box, but I trust that he will have a higher regard for fact and veracity on future occasions. I am delighted with my job and I regret that he will never be able to say that. Given the excitement in the industry and the splendid work that the film review group is doing, he might have been more constructive. He might have paid tribute, for example, to Colin Leventhal, Channel 4's director of acquisition, who heads the sub-group on finance, or to the sub-group considering skills and new jobs. The hon. Gentleman has come naked of ideas to the Opposition Dispatch Box, and that is why he will never enjoy himself as much as I do at the Government Dispatch Box.

Mrs. Betty Williams: Surely the financial aspect of film production and distribution should be the main area of concern. Will the members of the film review group be able to address that matter?

Mr. Clarke: The groups, including the main group, have been working extremely hard and have considered that issue. I wish to make it clear, however, that, despite the excellence and the comprehensive nature of the main group and the sub-groups, those who are not in membership are very welcome to make a contribution in evidence, either in writing or in person. I include in that an invitation to my hon. Friend.

Cable Television Companies

7. **Mr. Fabricant:** To ask the Secretary of State for Culture, Media and Sport when he next plans to meet cable television operators to discuss their future expansion plans. [7503]

Mr. Fisher: My right hon. Friend has already met the Cable Communications Association and had a wide-ranging discussion on broadcasting policy issues.

Mr. Fabricant: Will the Minister join me in congratulating the cable companies on their multi-hundred million pound investment in cabling up Britain? I include in that ComTel, which is cabling up Lichfield. Does the Minister think that cable companies—which provide not only television but telephony services—would have made that investment if they had thought that British Telecom would be able to compete with them, given that BT already has a network in the UK? When will the Government be in a position to say whether BT will be competing with the cable companies, which currently have great doubts about continuing their investment?

Mr. Fisher: I agree that the cable companies have done well. They have invested £7 billion so far and are on their way to a projected investment of £12 billion. They have installed more than 2 million telephone lines, which has sharpened competition with BT. The Government are committed to lifting the broadcasting restrictions on BT and to treating BT and the cable companies on a fair and equitable basis. There are many issues to be considered, and I cannot give the hon. Gentleman a firm date on which any such decision will be made.

Mr. Maxton: Does my hon. Friend agree that the customers are more important than the cable companies and that we should ensure that customers get the maximum benefits of cable television as quickly as

possible? Does he understand, therefore, that his failure to give BT a much earlier right to broadcast has disappointed some of his hon. Friends?

Mr. Fisher: My hon. Friend will know that these things are under discussion with BT. As he says, the television and telephony services to the public are crucial. The hon. Member for Lichfield (Mr. Fabricant) should take up with the cable companies why they are not making greater penetration into television and broadcasting, as fewer than a quarter of the houses they pass are taking up the opportunity of television services. We want high-quality television services and more opportunity for telephony services in the interests of the consumer.

Media Ownership

8. **Mr. Gale:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the regulations governing media ownership. [7504]

Mr. Chris Smith: We have no proposals to revise media ownership restrictions at present, but the subject will be considered as we develop revised proposals for regulating the converging broadcasting and communications industries.

Mr. Gale: It was a genuine question, and I am saddened that the Secretary of State was unable to give a firm assurance. In the light of the Independent Television Commission's award of digital transmission systems to British Digital Broadcasting—and the opportunities that that creates for British Sky Broadcasting to provide and decode programmes—and in the light of the Mirror Group's territorial ambitions in television, particularly in Scotland, does the right hon. Gentleman think that it is time to look seriously in the public interest at cross-media ownership to ensure that the public are guaranteed fair and reasonable access to news and information? Will he conduct a review?

Mr. Smith: First, I always expect genuine questions from the hon. Gentleman. Secondly, I agree that it is the public and their interests that must come first. That is why the key principles in any such discussion must be plurality of voice, diversity of ownership and quality of content. Any regulatory regime must ensure that those principles are maintained.

Mr. Maude: When the Secretary of State considers the issues of media ownership, will he give some thought to the arrangements for appointments to the part of the media that the Government own—Channel 4? Will he say something about reports in the newspapers that the ITC has been ordered not to renew the contract of the current chairman of Channel 4, Sir Michael Bishop, on the basis that he is a Conservative supporter, despite the fact that both the previous chairmen, who were appointed by Conservative Governments, were prominent Labour supporters? Will the Secretary of State confirm that his action, apparently saying that Sir Michael would be reappointed over his dead body, is all of a piece with the Minister for Sport's intemperate remarks about Lord MacLaurin becoming chairman of the Sports Council?

Will the Secretary of State grow up a bit and understand that these are serious people who give a lot of their time for the public service in good faith and do not expect to be abused in this way by new Labour?

Mr. Smith: I pay warm tribute to the work of Sir Michael Bishop as chairman of Channel 4, particularly his work in fighting off the depredations of the previous Government, who threatened to privatise it. In that respect, I recall that the right hon. Gentleman, in a previous incarnation, was busy doing commercial work proposing precisely the same thing. I should say, however, that the ITC, which is responsible for recommending the appointment to the chairmanship of Channel 4, subject to ratification by the Secretary of State, will proceed to public advertisements for the position in the normal way, as is appropriate under the Nolan procedures.

Ms Abbott: When the Secretary of State looks at cross-media ownership, will he bear in mind the fact that many of us on the Government Benches are also concerned about the issue? Media lobbyists can always give persuasive reasons why their privileged position should continue, but there is no evidence—certainly looking back over the past 20 years—that cross-media monopoly has increased diversity or increased the service to the public.

Mr. Smith: I agree entirely with my hon. Friend. The point that she makes is important. What we need to do, in relation to regulation of the media industries, is ensure that plurality and diversity are protected while, of course, the needs of the media industries and their aspirations to make their way in a global communications world are considered. Striking the right balance is important, but in all this the needs of the viewer and listener must come first.

Mr. Clifton-Brown: Does the Secretary of State agree that regulation in the media industry could be improved? If so, would he cut the number of regulatory bodies? Is he planning to replace Oftel—the Office of Telecommunications—with an "Ofcom" regulatory body? Would he consider merging the Monopolies and Mergers Commission with the Office of Fair Trading, for media purposes?

Mr. Smith: Matters relating to the OFT and the MMC are for my right hon. Friend the President of the Board of Trade. However, in a world in which broadcasting and telecommunications increasingly converge, it makes sense to look seriously at the regulatory regime. That is precisely what we are doing with our colleagues in the Department of Trade and Industry. We will come forward with considered proposals in due course.

National Lottery

9. **Ms Dari Taylor:** To ask the Secretary of State for Culture, Media and Sport what plans he has to reform the national lottery. [7505]

Mr. Tom Clarke: My right hon. Friend will make a statement later this afternoon on the Government's proposals for reforming the lottery.

Ms Taylor: I hope that I will hear this afternoon that local applications are given equivalent consideration to

applications made by quangos, if not more consideration. My question relates to my constituency, in which the Butterwick trust, a charity, wishes to open a hospice for dying children—anyone who goes through that period knows how traumatic it is. However, the trust has been turned down three times, and we know not why. It is important that the trust should know why.

Secondly, there is a commercial venture, proposed by Teesside development corporation, for a tele-ski development which nobody wants. Indeed, no local wants it. The question is clear: are people who put forward commercial ventures—quangos, non-representative of local communities—to be given precedence over local people?

Mr. Clarke: I am grateful to my hon. Friend for drawing to the attention of the House concerns that many hon. Members on both sides of the House share. She will know that those decisions are taken—if the proposals are submitted individually—by a body that is independent of the Government. I assure her that the Government believe in the people's lottery and, therefore, we are concerned about obtaining a genuine public response. My hon. Friend and the House will not be disappointed when my right hon. Friend the Secretary of State makes his statement in, I hope, a few moments.

Mr. Brooke: What is the Minister's current definition of additionality?

Mr. Clarke: I wonder whether the right hon. Gentleman is planning to contest the Glasgow, Govan constituency, or is he asking a question relevant to a Department that he once headed? Well though I understand his worries about additionality, I do not recall that he did much about it when he was in government. If the right hon. Gentleman manages to catch your eye when my right hon. Friend makes his statement, Madam Speaker, I am sure that he will not be disappointed.

Mr. Maclennan: Does the Minister not recognise that less than a quarter of the money raised by the lottery for good causes has been distributed to those causes and that, in some cases, additionality has been helped by the Foundation for Sport and the Arts, whose position under the present Government's policies appears to be as parlous as it was under their predecessors? Is the right hon. Gentleman aware that the 27 per cent. pools betting duty, as opposed to the 12 per cent. duty on the lottery funds, will drive the Foundation for Sport and the Arts into the ground and that it has done more good in its lifetime than any of the national lottery causes have for the arts?

Mr. Clarke: The last question is a matter for the Chancellor of the Exchequer.

On the main question about additionality, clearly in the eight weeks or so that we have been in government, we have tried to give thought to various important matters including that one. I invite the hon. Gentleman to be a little more patient. In a few minutes, he will find out that that problem is tackled in the White Paper and my right hon. Friend the Secretary of State will be happy to give his response.

Digital Television

10. **Mr. Fraser:** To ask the Secretary of State for Culture, Media and Sport what representations he has received concerning the Independent Television Commission and digital television; and if he will make a statement. [7506]

Mr. Chris Smith: The recent award of licences to operate digital terrestrial television multiplexes was a decision which was, by statute, entirely for the Independent Television Commission. I have accordingly received no representations concerning that decision, although some opinions have been expressed to me about its possible implications.

Mr. Fraser: Does the Secretary of State agree that the licence fee for digital television should be higher than that payable for terrestrial television?

Mr. Smith: No, I do not necessarily agree with that proposition. Those, of course, are matters for further debate and discussion. The BBC's licence fee arrangements are in place for the next four years—agreed by the Government of the day, whom the hon. Gentleman now supports from the Opposition side of the House. I see no reason at this stage to move to a higher licence fee.

Mr. Gordon Prentice: Does my right hon. Friend recognise the frustration felt by people in north-east Lancashire, who are fed up with being treated as country cousins, with no Channel 5 and very little cabling? To cap it all, digital terrestrial and digital audio, which will roll out across the country next year, will touch only 60 per cent. of the population. What does he have to say to people in north-east Lancashire who will be left behind by that? We all pay the licence fee. Surely, digital terrestrial and digital audio should reach 99 per cent. of the population, not just 60 per cent.

Mr. Smith: I agree entirely that that must be the aim. Indeed, if we progress properly and speedily with the introduction of digital terrestrial television, we will be able to expand it to a much greater extent than that envisaged by my hon. Friend in making his point.

Mr. Green: The Secretary of State will be aware that Channel 4 has been awarded one of the digital multiplexes. In the light of an answer that I received from the Treasury two weeks ago, merely saying that if Channel 4 were to be privatised the amount raised would depend on the means of sale, will he take this opportunity to state unequivocally, once and for all, that the Government have no intention of privatising Channel 4?

Mr. Smith: The hon. Gentleman is slightly incorrect in that the multiplex has been awarded jointly to Channel 4 and Channel 3. I can confirm that we have no intention of privatising Channel 4; nor, indeed, does his party, which did not propose that before the general election.

Football

11. **Mr. Coaker:** To ask the Secretary of State for Culture, Media and Sport what plans he has to assist the campaign to host the soccer World Cup in England in 2006. [7507]

Mr. Banks: The Government are committed to attracting major sporting events to the United Kingdom and are giving full promotional and diplomatic support to the Football Association's bid to host the 2006 World cup. I am chairing a co-ordinating group of FA, Premier League, Sports Council and Government officials to ensure that we focus the campaign as much as possible.

Mr. Coaker: Is my hon. Friend aware of the tremendous support throughout the country for bringing the World cup to England in 2006 and of the great boost that it would be for soccer? Will he comment on the ways in which football clubs and supporters might work with the Government to assist in his campaign to bring the World cup here?

Mr. Banks: I certainly agree with my hon. Friend that it would be an enormous boost to British football, and indeed to tourism and to the country as a whole.

My hon. Friend asks what clubs and supporters can do to assist the Government, the FA, the Premier League and others in getting the 2006 World cup here. I would say to him and to all football supporters that they should be on their best behaviour, especially when travelling in Europe next season for the various European competitions. I shall be travelling with my club, and I can assure the House that I shall be on my very best behaviour. If football fans laid off the lager and were a little more Gauguin than Gazza, that might assist us enormously.

LORD CHANCELLOR'S DEPARTMENT

Public Defenders

29. **Mr. Fabricant:** To ask the Parliamentary Secretary, Lord Chancellor's Department what is his policy in respect of public defenders. [7528]

The Parliamentary Secretary, Lord Chancellor's Department (Mr. Geoffrey Hoon): Any criminal defence services funded by legal aid would have to be independent, adequately resourced and of the right quality to play an effective part in a criminal justice system. We have not ruled out the possibility of engaging employed solicitors, or indeed solicitors under specially designed contracts for particular kinds of work, if those would be the most suitable arrangements in all the circumstances.

Mr. Fabricant: As the hon. Gentleman and his Department have expressed some concern about the quality of the Crown Prosecution Service and the solicitors employed there, what assurance can he give that, if he were to go ahead with a public defender system, he would be able to ensure that solicitors of the highest calibre were employed, and not simply those who were unable to get jobs elsewhere?

Mr. Hoon: In setting up publicly funded services, we would guarantee lawyers of an appropriate quality and standing. We intend to adopt the most appropriate system for delivering legal services, according to the nature of the work in question. We have not ruled out the possibility of having employed lawyers; indeed, there is likely to be a pilot scheme in Scotland in due course which will allow us to test precisely the quality of the service that is made available.

Woolf Report

31. **Mr. Hawkins:** To ask the Parliamentary Secretary, Lord Chancellor's Department what is his Department's policy towards the recommendations contained in the Woolf report on civil justice. [7531]

Mr. Hoon: My noble Friend the Lord Chancellor has invited Sir Peter Middleton to review current proposals for reform of civil justice and legal aid systems. He is to produce an interim report by September. The Lord Chancellor, however, has made it clear that, in the meantime, he wants the preparatory work to continue, to preserve the planned implementation date of October 1998 as a realistic option.

Mr. Hawkins: In the light of that reply, and given that the Woolf report was one of the most thorough investigations ever undertaken into any part of the justice system, what on earth do the hon. Gentleman and the Lord Chancellor think that Sir Peter Middleton can tell them that the Woolf report has not already told them?

Mr. Hoon: In the first place, the Government were elected on a commitment not only to review the Woolf report but to examine, at the same time, proposals for the reform of legal aid. We consider it appropriate and necessary to consider both aspects of planned reforms as part of a thorough review. The Lord Chancellor has made clear his support for the spirit of Lord Woolf's recommendations, which are designed to deliver a quicker, simpler and cheaper civil justice system. The purpose of Sir Peter's review is to ensure that we are on the right track.

Mr. Garnier: How does the Department intend to reconcile the differences between its policy on the Woolf report and the decision in the Witham case?

Mr. Hoon: I have said that we will carefully examine the review following Sir Peter's report in September. It will then be appropriate to consider his recommendations in the light of any decided cases.

Legal Aid

32. **Mr. Baker:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will extend the provision of legal aid to cover defence from libel actions. [7532]

Mr. Hoon: There are no plans at present to extend the scope of the legal aid scheme to include defending libel actions. Successive Governments have taken the view that the outcomes of such cases are uniquely difficult to foresee and that, even if the general mechanisms against

unmeritorious proceedings could be strengthened, they would still not provide an effective safeguard against the potential waste of public money.

Mr. Baker: I am disappointed by that reply. I hope that the Parliamentary Secretary will incorporate consideration of extension in the review of legal aid. Does he recognise that libel actions, and the threat of them, have been used by people such as Robert Maxwell to inhibit freedom of speech and abuse the course of law? Would it not be fairer to ensure that those who wished to publish articles could not be subject to unfair actions for libel from people who want only to shut them up?

Mr. Hoon: After the previous Lord Chancellor's Question Time, the hon. Gentleman kindly sent me a copy of various documents produced by his party, one of which referred to the Liberal Democrat proposal that legal aid should be available for libel proceedings.

The hon. Gentleman also suggested a defence of offering to make amends. First, such a defence is included in the Defamation Act 1996, which provides for an offer to be made by defendants where certain circumstances are satisfied. Those procedures are not yet in force, but we are carefully considering whether they might appropriately be introduced. Secondly, it is possible for plaintiffs to bring proceedings in the small claims court, so long as the award is not more than £3,000.

Mr. Skinner: Listening to the Liberals over the past eight or nine weeks, I get the impression that they have spent their 1p on tax about 11 times. How can the hon. Member for Lewes (Mr. Baker) raise such cases, given the present limits on legal aid, when some people who take out compensation claims against employers cannot get legal aid because the employers argue that they have not got enough money to pay out compensation? Surely that should get priority over what has been put forward by these tinpot Liberal Democrats.

Mr. Hoon: My hon. Friend is, as ever, understated in his response. He knows that Sir Peter Middleton is examining all aspects of legal aid and, in particular, ways to extend legal advice and assistance to those who do not presently enjoy their benefit. Only last week, we approved a further extension of existing pilot projects to allow the Legal Aid Board to support, for example, advice and assistance in advice agencies. That may well give legal advice to people who have not previously enjoyed its benefit in the cases to which my hon. Friend referred.

My hon. Friend also commented on the total cost of legal aid and the financial wisdom of extending it. I have made such points to the House before, but they bear repetition. Legal aid expenditure has trebled since 1989 and is still one of the fastest-growing areas of Government expenditure. Its cost doubled between 1990 and 1996. Those are significant factors that any responsible Government must take account of in considering the cost and extent of legal aid.

Mr. Hogg: Would the hon. Gentleman be at all reassured to learn that his substantive answer is broadly supported on the Conservative Benches? Most Conservative Members believe that it would be a mistake to introduce legal aid in terms of either promoting a libel case or defending it. That said, will he consider the possibility of alternative funding methods, such as a contingency fee fund? I make a distinction between a contingency fee fund and contingency fees.

Mr. Hoon: I am grateful for the right hon. and learned Gentleman's support—or at least I think I am. The purpose of Sir Peter Middleton's review is to consider all aspects of the ways in which we can support those who need high-quality advice and assistance. I have received several suggestions—not least from the Bar—that useful work could be done exploring a practical contingency fee system.

Mr. Michael Jabez Foster: Before offering an extension of legal aid that would benefit the few, will the Minister consider the higher priority of reducing current court fees, which were imposed by the previous Government, and which are denying the many access to the courts?

Mr. Hoon: My right hon. Friend the Lord Chancellor made a statement on that question recently in another place. He said—I hope that my hon. Friend will agree—that it is not so much court fees that deter people from going to court as the cost of lawyers who appear in such cases. If my hon. Friend is concerned about those people of lesser means—I suspect that he is—I refer him to a series of exemptions and qualifications that allow those in receipt of benefit, for example, to have their fees waived. There should be no reason why court fees should prevent anyone from accessing courts and justice.

European Convention on Human Rights

34. **Mr. Greenway:** To ask the Parliamentary Secretary, Lord Chancellor's Department what assessment he has made of the additional sums his Department will need to implement his proposals to incorporate the European convention on human rights into domestic law. [7534]

Mr. Hoon: Work is already in progress within the Lord Chancellor's Department to assess the likely practical impact of incorporation of the European convention on the work of the courts, the provision of legal aid and the need for judicial training. However, a financial assessment of the proposals has not yet been completed.

Mr. Greenway: How do the Government intend to protect judges from political interference and to protect Parliament from the judges when the convention is enshrined in United Kingdom law?

Mr. Hoon: The judges will be protected from political interference in the way that they have always been protected from such interference under our system: selection decisions will be based on choosing the most ably qualified candidate for the position. That has always been the approach in our system, and it will continue. We shall incorporate the convention, on which work is still under way, in a manner that is entirely consistent with the doctrine of parliamentary sovereignty.

Mr. David Heath: Will the Minister confirm that, although the Gracious Speech says that the main provisions of the European convention will be

incorporated, the Government intend to incorporate the whole convention? If there are to be exceptions, will the Minister tell us what they are and why they will exist?

Mr. Hoon: The Government intend to incorporate all the provisions of the convention. The words in the Gracious Speech refer to those protocols that have not yet come into force.

Legal Aid

36. **Mr. Malins:** To ask the Parliamentary Secretary, Lord Chancellor's Department when he expects to announce changes in legal aid for immigration work. [7538]

Mr. Hoon: Sir Peter Middleton is reviewing all aspects of the provision of legal aid, including the procedures by which legal aid is granted. He will produce a preliminary report in September.

Mr. Malins: The Minister will be aware that legal aid costs are spiralling upwards all the time. Is he further aware that the United Kingdom Immigrants Advisory Service is extremely cost-effective when providing legal help regarding immigration matters? Given that the service is cheaper and usually more efficient than solicitors, will the Minister ensure that the immigrants advisory service gets a fair shout when he considers legal aid for immigration cases? In that way, money could be saved and the public would probably be served better.

Mr. Hoon: I have some sympathy with the hon. Gentleman's point of view. The Government believe that there should be sufficient publicly funded services to provide access to advice and assistance for asylum seekers and other immigrants who wish to remain in this country. In due course, the Government will make specific proposals on how that will be achieved.

Magistrates Courts

37. **Mr. Edwards:** To ask the Parliamentary Secretary, Lord Chancellor's Department if an appeal has been lodged against the proposed closure of Monmouth magistrates court. [7539]

Mr. Hoon: No.

Mr. Edwards: I thank the Minister for that answer. When he receives such an appeal, I urge him to give it serious consideration. Many people in my constituency are signing a petition to ensure that Monmouth magistrates court is kept open. Should the magistrates court in Monmouth be closed, it would cause considerable inconvenience to defendants, witnesses and victims, who would have to travel long distances to other courts.

Mr. Hoon: I shall endeavour to give my hon. Friend a fuller response. The policy of the Lord Chancellor's Department is that decisions whether to close magistrates courts remain entirely a local issue, subject to the rights of appeal prescribed in law. Magistrates courthouses are not Crown property: they are owned or leased by the paying authority on behalf of the magistrates courts committee. Under section 56 of the Justices of the Peace Act 1997, the Lord Chancellor's responsibility in relation to magistrates courts is limited to hearing appeals in a dispute between the magistrates courts committee and its paying authority over a proposed court closure.

National Lottery

3.30 pm

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): With permission, Madam Speaker, I should like to make a statement about reforming the national lottery. I am today publishing a White Paper, "The People's Lottery." It will be available in the Vote Office when I have finished speaking.

The Government's priorities are health and education. We said that we would reflect these in our plans for reforming the national lottery, and that is what we are doing today. The White Paper takes forward the plans outlined in our election manifesto and in the details that we published in "The People's Money" on 23 April. Both received the endorsement of the British people on 1 May.

I believe that the package of proposals that we are publishing today will mark a turning point in the fortunes of our national lottery. It will make it even more popular and even more relevant to people's daily lives.

It is less than three years since the first tickets were sold, yet in that short time the lottery has become a tremendous success. Nine out of 10 adults play at least occasionally. There have been 180 million winning tickets: 360 of them for more than £1 million.

The lottery has already raised more than £3.5 billion for good causes. By the time the current licence ends, we expect that it will have raised £10 billion. Thanks to the initiative and hard work of those who have been involved in developing projects, and the lottery distribution bodies, funds have already been committed to more than 24,000 projects throughout the United Kingdom. The large multi-million pound projects may attract most attention, but I suspect that the smaller proposals will make the most difference to many people's lives—such as the grant of some £2,000, featured in the White Paper, for a summer arts festival for children predominantly from low-income families in Norfolk.

I welcome that success. The proposals in the White Paper are about building on it. We shall introduce the legislation needed to give effect to aspects of these proposals later this year.

The proposals in the White Paper fall under four headings. The lottery is paid for by the people and, as it develops, we intend that it should better reflect the people's priorities. First, we will set up a new good cause—the New Opportunities Fund. It will support specific initiatives, additional to core programmes funded through taxation, to support our priorities of health, education and the environment.

Subject to Parliament, the fund will begin its work next year with three initiatives: two helping to raise standards in schools and one promoting better health. Other initiatives will follow—for the environment, as well as for health and education.

The new fund will come on stream in 1998 and, by 2001, the fund will be supporting programmes of activity outside the school day involving at least half of all secondary schools and a quarter of all primary schools. Activities will range from extra coaching in basic literacy and numeracy to new opportunities for creative and sporting education and structured play—fun as well as learning—helping parents who work, and raising school standards. By 2001, the fund will also have trained some half a million teachers and 10,000 public librarians to help children and adults learn throughout their lives using new technologies.

The new fund's health initiative will be a network of healthy living centres throughout the United Kingdom. They will provide a wide variety of facilities and services, in different ways and to help different groups, but all with the same fundamental aim of preventing illness and promoting good health. In designing the detail of those initiatives and delivering money to projects, the new fund will work closely with bodies expert in the relevant fields, in each part of the United Kingdom.

The financial success of the lottery will enable us to set up the new fund alongside the existing good causes. In 1994, the lottery was forecast to raise £9 billion for good causes in the period up to 2001. We now expect it to raise £1 billion on top of that. It is from that extra £1 billion that we will find initial support for the New Opportunities Fund.

We will continue to allocate the bulk of the proceeds of the lottery to the existing good causes. I pay tribute to the work that the distributing bodies have already done—some fine examples are included in the White Paper—and I want them to build on their success. That is the second main theme of the White Paper.

Excellent as the distributors' record has been, it has been limited by some aspects of the framework within which they have to operate. Those constraints are at the root of the concerns expressed about lottery distribution—the lack of a clear overall strategy, the uneven geographical allocation of grants, the failure of some activities to get enough help from the lottery, and the feeling that decisions are remote and unaccountable.

The Bill will contain measures to help us to work with the distributors to tackle the constraints. I want to encourage a debate, involving the distributors and everyone else with an interest in making a success of the lottery, about the way in which distribution will work within the new framework and the extent to which we can make progress in the same direction before the legislation comes into force. Among the main issues on which I am consulting are how the existing distributors can provide even more support for our priorities of health, education and the environment; the contribution that they can make to regeneration; how, through delegation and working together, they can meet needs better; and how they can bring decision making closer to the grass roots.

I now come to our third main proposal. It is a major part of our vision of a lottery for the people. We will use part of the £1 billion of extra lottery money to establish the National Endowment for Science, Technology and the Arts. NESTA will help to ensure that the fruits of the outstanding talents with which our nation is blessed benefit our own country rather than others. It will encourage the development of an environment that fosters creative talent and innovation, and allows them to flourish for the benefit of the country, its economy and its people. In doing so, it will support my central objective of promoting the creative industries.

NESTA will have three simple objectives: to help talented individuals to develop their full potential in the creative activities and industries and in science and technology; to help to turn creativity and ideas into products or services that are effectively exploited with rights protected; and to contribute to the advancement of

public education about—and awareness and appreciation of—the areas with which NESTA is concerned. Those objectives will be set out in the forthcoming Bill, but, once established as a trust independent of Government, NESTA will determine for itself its priorities and activities. Its first task will be to map what support and provision already exists, so that its own activities complement existing publicly and privately funded programmes.

Finally, the White Paper outlines our proposals to make the lottery itself a more efficient and transparent operation. As we have made clear, we will seek an efficient not-for-profit operator. In the White Paper, we invite proposals to meet the twin objectives of maximising the return to good causes and removing unnecessary profit. Within the framework that we set, the licence will go to the bidder who will deliver the greatest return, while running the lottery efficiently, transparently and with propriety. So that the selection of a new operator is seen to be independent and objective, we will appoint a panel to assist the director general in his choice, including people with expertise in business, lottery distribution and the views of consumers.

We want to ensure that the director general has the full range of powers necessary to ensure that the operator complies with its licence. The Bill will, therefore, contain provision for him to fine the operator where serious licence breaches occur.

I look forward to the widest possible consultation on our proposals, with contributions from right hon. and hon. Members, and everyone else with an interest in building on the lottery's success, in the consultation period that is now beginning. To help everyone to participate, a summary of the proposals is available in a leaflet that will be distributed widely throughout the country in the coming weeks.

A new good cause for health, education and the environment; a reform of lottery distribution; NESTA to unlock people's potential; and better operation and regulation—this White Paper sets out to enable the national lottery to become even more successful and to become truly a people's Lottery.

Mr. Francis Maude (Horsham): First, I congratulate the right hon. Member on a substantial change in his tune from what we have heard from him and from other Labour spokesmen previously. The White Paper contains the most remarkable, and justified, paean of praise to the success of the national lottery. On page 27, it says:

"Our lottery"—

my hon. Friends will note that it has now become "our" lottery—

"has, in a short time, become one of the most successful in the world. Compared to other lotteries around the world, it gives most to good causes and Government and"—

be it noted—

"least to the operator; independent research showed that the UK Lottery's annual ticket sales were the largest of all world lotteries and that it returned the highest amount and percentage to the good causes and Government."

That is what we have been saying for some time and it is nice that the right hon. Gentleman has been persuaded of the rightness of what we have been saying. It would also have been nice if, during his remarks, he had had a word of praise for those of his predecessors whose vision it was to set up the lottery and to achieve the remarkable success, which he has justly praised.

I sympathise with the Secretary of State because he has been rolled over by No. 10 and forced effectively to abandon the manifesto pledge that the next lottery contract should be on a not-for-profit basis. Does he now accept that it was a dogmatic and destructive pledge, that what he now proposes in the White Paper goes a long way from it, and that the formulation in his statement sounds to most of us like a restatement of the formulation that currently exists? The pledge was at odds with Labour's vaunted conversion to free enterprise and the profit motive. We welcome the effective abandonment of that commitment.

Does the Secretary of State agree with the Prime Minister, who apparently said in a letter to the right. hon. Gentleman's office that

"the policy must maintain the incentives for the operator to work efficiently"?

Does that not amount to the profit motive that currently operates? Does not the word "maintain" give the game away—that these incentives currently operate and have contributed to the current success? It would be good to hear the Secretary of State accept that overtly.

Does the Secretary of State accept that, on page 28 of the White Paper, the formulation he uses attempts to justify the continued existence of that manifesto pledge, clinging desperately to life by its fingernails:

"A private operator which had no check on the profits it could make might damage public confidence in the Lottery—people might even stop playing"?

Does he not accept that that is precisely what he has been arguing is the case now— that there is no check on the profits and that that will destroy confidence? It has not: public confidence in the lottery has not been damaged. It has increased and, as the Secretary of State said in his statement, the lottery proceeds are now greater than were originally projected. Therefore, he has already defeated his own argument.

What does the Secretary of State mean by the suggestion that yet another quango should be set up to monitor the Office of the National Lottery's handing out of the new contract? Is not that yet another case of new Labour, new quangos? The Minister proposes that the operator should be liable to financial penalties if it does not meet the terms of its licence. If the lottery is to be genuinely operated on a not-for-profit basis, does he accept that those financial penalties will, effectively, come out of the money for good causes?

Finally, does the Secretary of State accept that the creation at this stage of further good causes amounts to a breach of the principle of additionality to which the Labour party attached such importance when the legislation was going through the House? For example, does he recollect the amendment that was moved in Committee by the official Opposition spokesman and which stated

"that the amount raised by the National Lottery after the deduction of taxes and operating expenses shall be distributed solely and only to causes where it can be demonstrated that they would not otherwise be funded out of taxation or other national or local government revenues."—[*Official Report, Standing Committee A*, 16 February 1993; c.142.]

The Labour party was even tougher on additionality than the Conservative Government proposed to be. Today's proposals amount to a significant volte face.

[Mr. Francis Maude]

Does the Secretary of State accept that the contention occasionally made by the Government that the midweek draw is somehow a bonus which entitles them to raid proceeds in this way bears no examination? The right hon. Gentleman knows that the sums for good causes, projected over the period of the lottery, always included an uplift for scratch cards and/or the midweek draw. That has always been part of what was anticipated. Fudge it how he will, the harsh message is that hundreds of charities and groups the length and breadth of the country will be told that the Government have grabbed the money for themselves.

Did not the Prime Minister give the game away in the letter that his office sent to the Secretary of State which stated that

"a key question will be finding ways of re-orientating the lottery to provide more support for projects that reflect the Government's policy objectives, such as health, education and the environment"?

How will the Secretary of State explain to the Deputy Prime Minister that the Aqua science museum in Hull is now under threat? How will the Minister of Agriculture, Fisheries and Food take the news that the facelift for Whitehaven, to be funded by the Millennium Commission is now under threat? Is not the reality the fact that the only Cabinet Minister who is smiling as a result of this turnaround will be the Chancellor of the Exchequer? Of course, that is an unusual event and perhaps we should celebrate it on its own.

Labour has a black hole in its public finances of its own making, and it has been created by excessive public spending commitments beyond what the public finances can afford. The Government have got themselves into a mess and, as so often, they try to extricate themselves by going on the grab. The Secretary of State has been rolled over by No.10 and the Treasury. The people's lottery is becoming the Government's lottery, and that illustrates what we have always contended—that Labour cannot keep its hands off other people's money.

Mr. Smith: Oh dear, Madam Speaker. I had expected somewhat better than that.

The right hon. Gentleman says that there has been a substantial change of tune. There has not. We are today publishing proposals to put in place precisely what we told the electorate during the election we would do. When the original lottery legislation was passed by the House, it was supported by hon. Members on both sides of the House and was not simply the province of the then Government.

The right hon. Member said that the Government have somehow abandoned our not-for-profit objective. Although I gave him several hours to read the White Paper before I made the statement, clearly he has not read page 28, which precisely states that we maintain that objective. The goal must be to maximise the return to good causes. The current lottery operator, by the end of the term of its franchise, will have made upwards of £500 million profit. Our determination is to achieve a better deal for good causes when the franchise is renewed than is provided by the current lottery operation.

The right hon. Member said, "new Labour, new quango." I am astonished that he does not think that it is sensible that the lottery regulator should have advice from the business world, lottery distributors and consumers in reaching the important decision on who should run the lottery in future.

The right hon. Member drew attention to the matter of the midweek lottery draw. I draw his attention to page 8 of the White Paper, which specifically spells out how the money that is additional to the overall lottery—which is available because of the midweek draw—will enable us to keep our commitments to the current distributors and to add the new good cause that we are proposing today.

The right hon. Gentleman said that, somehow, there is a black hole in the public finances. I should draw his attention to the fact that my right hon. Friend the Chancellor of the Exchequer, managed to find in the Budget that he announced only a few weeks ago £3.6 billion of extra resources for health and education.

The right hon. Gentleman said also that no other Cabinet Members are smiling. Perhaps that is why, in the press packs that we will issue later today, there are supportive press releases from my right hon. Friends the President of the Board of Trade and the Secretary of State for Education and Employment.

The right hon. Gentleman made two points that have some importance. The first was the importance of holding fast to the additionality principle. The amendment tabled by my hon. Friends in Committee provided a very good definition of additionality—for which the right hon. Member for Cities of London and Westminster (Mr. Brooke) was asking in today's Question Time. The important aspect is that the lottery is providing support for those projects that are not the province of the Exchequer and the taxpayer—a principle which is enshrined in everything that we propose in the White Paper.

Finally, the right hon. Gentleman said that the Government are taking money off good causes. We are not taking money off good causes. In our proposals for health, education and the environment, we will make additional money—which is available because of the midweek draw—available to equally good, if not better, causes.

Helen Jones (Warrington, North): May I welcome the Secretary of State's announcement that more money will go to health and education projects, and tell him that that will be particularly welcome to people in the Orford ward of my constituency—who applied to the national lottery for money to establish a one-stop shop, including health projects, and were turned down despite being in one of the borough's most needy areas? In the light of that example, will he provide more details of how such projects will be able to apply for such grants?

Mr. Smith: I am grateful to my hon. Friend for her remarks, and I can tell her that an application from that particular area would be extremely welcome to the New Opportunities Fund, as and when it is established in our proposed legislation.

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): In his remarks, the Secretary of State drew attention to what he described as the lack of a clear overall strategy. Does he not accept, however, that his White Paper—far from providing a clear overall strategy—is endorsing the thinking of Tom Lehrer that, "You can get

away with it by sprinkling a little bit over each part of the banana split"? It seems remarkable for him to say it is not the province of the Treasury and the taxpayer to deal with medical matters that will be covered by the proposals in his White Paper. Is it not strange that he boasts that preventive medicine is to be one of the new beneficiaries of his proposals, and that the new methods of teaching and encouraging teacher training are regarded as not suitable to be paid for by taxpayers and the Treasury? What limit will he put on the erosion of the national lottery by his Cabinet colleagues, who no doubt all have other good causes for which they cannot find taxpayers' money?

Will the Secretary of State confirm that he still regards himself as the custodian of culture, the media and sport, because the White Paper certainly contains no awareness of the fact that the lottery's problem has been the lack of take-up by existing good causes, with less than a quarter of the money held for them being distributed to them? Surely, the money held should be turned to good account and be used, not just spread ever more thinly.

Mr. Smith: The lack of take-up is exactly one of the problems we seek to address in chapter 2 of the White Paper on reforming the existing distribution of lottery funds. It is precisely the lack of a clear overall strategy and the absence of power for lottery distributors to be proactive—at the moment, they have to sit and wait for applications to come in—that have led to the uneven geographical distribution and, in many cases, to the lack of ability to tackle real problems in deprived areas as we would wish.

The point about the health and education projects is precisely that they are not part of the core health and education services which, rightly, have to be a continuing part of the responsibility that we all bear as taxpayers.

Mr. Dennis Skinner (Bolsover): On the question of Camelot making about £2 million a week profit, will my right hon. Friend give us an assurance that the proposal for a non-profit scheme will hold fast? However, may I enter a caveat? I keep hearing Branson's name—Mr. Goody Two Shoes. There is something about that fellow that I just cannot cling to. He seems to have his finger in every pie, and I would not trust him with the lottery, either—he would be making some money for himself if he got hold of it.

Mr. Smith: I refer my hon. Friend to page 28 of the White Paper where we set out precisely what we propose and invite public comment on such issues. Richard Branson, Camelot or anyone else would be very welcome to apply post-2001 to run the lottery, provided they do so in accordance with the framework that we will put in place in the legislation later this year.

Mr. Robert Key (Salisbury): Of course the Secretary of State is right to review the way the lottery works—that was part of the original Act—but is he aware that not one of the Labour warriors who fought the Bill in Standing Committee is present today? Those who fought on the principle of additionality day after day in Standing Committee are not here—they are no doubt ashamed to see that the Government have been rolled over by the Treasury. The right hon. Gentleman speaks fondly of people's aspirations for the lottery, but is he aware—if he is, he has not mentioned it—that their aspiration is to win? That is what the national lottery, and its success, is about, but his proposals will mean that people are less likely to win and that the lottery will no longer be the most successful national lottery in the world.

Finally, does the Secretary of State agree that, apart from the Treasury, the only winners will be Vernons, Zetters and Littlewoods? Good luck to them, but it is back to those days.

Mr. Smith: The winners will be the British people. They said to us during the election campaign and afterwards that they want part of the money that they spend on their lottery tickets to go to good causes in health, education and the environment. That is what the White Paper proposes.

Dr. Tony Wright (Cannock Chase): I congratulate my right hon. Friend on his excellent document. The essential element of the lottery is randomness. Would it not be sensible to introduce a random element into the way in which the money is paid out, as well as the way in which it is paid in? I speak for an area that has had a lousy distribution of lottery proceeds. When the qualifying criteria are met, the bids are in and the priorities are determined, we could have a lottery to decide on the winners and losers. Instead of getting infusions of largesse from anonymous distribution committees, local communities would see the intervention of Lady Luck and would get as much excitement from the moment of distribution as from the moment of paying in.

Mr. Smith: Normally, I agree with my hon. Friend, but I do not follow him entirely in his argument today. One of the problems with lottery money distribution at the moment is that it tends to be random, in response to the applications that happen to have been submitted. We believe that a more strategic view can and should be taken by the distributing bodies. That is why we have proposed changes.

Mr. Richard Page (South-West Hertfordshire): The Secretary of State will be aware that the lower the operator's percentage, the more money there is for good causes. Camelot, which is based in my constituency, has proved that by securing hundreds of millions of pounds more for good causes than there would have been if another licensee had been selected, particularly one that was not for profit. The right hon. Gentleman says that he wants a not-for-profit operator. What will he do if, when the licence is up for renewal, a for-profit operator offers the lowest operating percentage? What would win—Labour dogma or good causes?

Mr. Smith: The key principle has to be to maximise the fund for the good causes. That is why we set out in the White Paper how we believe that the present arrangements can be improved on.

Ms Gisela Stuart (Birmingham, Edgbaston): I am delighted that NESTA funds will be available for talented young people. Will young creative artists in my constituency, particularly dancers, who have been unable to get further education funds so far, benefit from the proposals?

Mr. Smith: A scheme was put in place by the previous Government to give some assistance to dance and drama

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students, using lottery funds. We supported that scheme when it was launched. It is now bedding in and we want to see how it progresses before we make any changes. The development of NESTA will enable talented youngsters in many fields to develop their talents and turn their skills into careers.

Mrs. Virginia Bottomley (South–West Surrey): The right hon. Gentleman is right to pay tribute to all those in the distributing bodies and elsewhere who have made such a success of the lottery. Is he aware, however, that almost every lottery in other countries is the responsibility of the Finance Department? Earlier today, the right hon. Gentleman talked about the importance of resisting good advice from the Treasury on, for example, the privatisation of Channel 4. Today, he has not resisted the Treasury's advice. The additionality principle is breached, the jackpot winners are the Treasury and the successful lottery that we have known will be seriously damaged by the White Paper.

Mr. Smith: The additionality principle has not been breached.

Mr. Harry Barnes (North–East Derbyshire): I hope that the moves on health, education and the environment mean that there will be a fairer distribution of lottery funds, because those elements are important throughout society and need to be responded to. Under the current arrangements, not a single one of the 41 grants from lottery funds for sport that have been provided so far in Derbyshire has been given to north-east Derbyshire or Chesterfield. That is an unfair arrangement. I am pleased that measures are proposed in the White Paper that will begin to tackle that problem.

Will my right hon. Friend look at the scam that is being perpetrated on punters in the lottery by many organisations? Systems are being sold that are supposed to increase people's chances of winning the lottery. That is not on. People are having the wool pulled over their eyes and something should be done to stop it.

Mr. Smith: I agree entirely with my hon. Friend about those who try to convince people that they have a system for giving a better chance of winning the lottery. Self-evidently, that cannot be the case and it is unacceptable for people to make that claim.

There are three changes in lottery distribution that will achieve the objectives that my hon. Friend seeks: first, the emphasis on health, education and the environment; secondly, the ability, through the changes to distribution, to ensure that regional imbalances in lottery distribution are addressed; thirdly, the ability of different lottery distributors to come together in order to target assistance in the arts, sport, heritage, charities, health and education at areas of particular deprivation. That will be of considerable benefit to many parts of the country.

Mr. Peter Brooke (Cities of London and Westminster): If, as was demonstrated earlier this afternoon, one of the Secretary of State's junior Ministers patently does not know what his current definition of additionality is, why should the rest of us have any confidence in it?

Mr. Smith: The principle of additionality is very clear. It is that the lottery should not be used for expenditure on matters that are properly the province of the Treasury and the Exchequer. That principle is enshrined in every paragraph and page of the White Paper.

Mr. Vernon Coaker (Gedling): How will the leaflets that explain the White Paper be made available to the public? I believe that once the public become aware of what the Government propose, far from decrying it, as Conservative Members would have us believe, they will welcome it when they see the money that will be made available for a variety of projects. Will my right hon. Friend ensure that the leaflets are available in places where people can easily get them, such as supermarkets, doctors' surgeries and health centres, because it is the Government's wish to consult widely with people? If we are to do that, we must make the leaflets easily available.

Mr. Smith: I thank my hon. Friend for his question. We are printing 2 million leaflets which will be available widely across the country at every lottery distribution point and in public libraries. I am sure that my hon. Friend is right to say that the public will warmly welcome our proposals. When we proposed precisely these measures during the election campaign, they produced an enthusiastic response from the public. I am afraid that Conservative Members seem to have forgotten that an election took place on 1 May and that the people gave their verdict.

Mr. Peter Viggers (Gosport): Another day in the life of this Government and another media illusion. I congratulate the right hon. Gentleman on the presentation of a mean, tricky and nasty little statement. First, yet again, he trashed those responsible for the enormous success in financial terms of the lottery. Secondly, he has announced a plan to steal part of the proceeds to pay for part of the Government's proper expenditure plans. Is not it true—my right hon. Friend the Member for Horsham (Mr. Maude) put his finger on the issue—that, after today, it will be significantly less the people's lottery and much more the Government's lottery?

Mr. Smith: No.

Fiona Mactaggart (Slough): I welcome my right hon. Friend's commitment to extending lottery funds to innovation in health and education, but may I ask him whether he has he spoken to the Ministers in charge of those Departments about what happens when a project is no longer innovatory—when it has proved its worth and value? That is one of the difficulties that private charities have to face, and it will be a challenge to the Government, to which I have not yet seen an answer.

Mr. Smith: My hon. Friend, unlike many Conservative Members, puts her finger on a serious and pertinent point. Yes, the aim of the New Opportunities Fund is to support innovation in health and education. That is the whole answer to the point about additionality raised by Conservative Members. Of course, once innovation has bedded in, it becomes accepted and part of normal life. Our aim in everything that we are doing is that the initial funding should be just that, and that the healthy living

centres and after-school clubs should become self-funding in due course, after the initial tranche of money has gone in.

Mr. Tony Baldry (Banbury): The Secretary of State will be surprised that Conservative Members are amazed that he should think that public health and teacher training are not legitimate matters for the public expense and for the Treasury. Is not the concern about all of this that there will be a blurring of the legitimate boundaries of what should come out of public funding and departmental expenditure?

There will be little rejoicing in Oxfordshire that there is to be more money for teacher training at a time when, as a consequence of the capping of Oxfordshire, the number of classes of more than 30 will go up considerably, and little rejoicing that there is to be more money for public health, when centres such as the Rivermead rehabilitation centre and Ritchie Russell house are threatened with closure because of the lack of funding to Oxfordshire health authority.

Mr. Smith: The hon. Gentleman has clearly completely missed the work that my right hon. Friend the Secretary of State for Education and Employment is doing in reducing class sizes throughout the country. On the other point that he makes, a one-off exercise in teacher training for information technology, and the development of out-of-school clubs, is not, in any reasonable person's book, core Exchequer expenditure on education services.

Mrs. Linda Gilroy (Plymouth, Sutton): I welcome my right hon. Friend's statement. My constituents in Plymouth, Sutton—which, on the index of local conditions, includes the poorest ward in England—will greatly welcome his commitment to health projects, education projects and regeneration. Will he say a little more about how he intends to ensure that the distribution agencies deliver and reach all parts of the country, but especially areas such as my constituency where there is such a need for regeneration?

Mr. Smith: One of the ways in which we seek to improve the distribution mechanisms not just of the New Opportunities Fund that will be established, but of the existing lottery distribution bodies, is to ensure that they take into account the regenerative possibilities that come from investment in the arts, sport, heritage and charitable and voluntary endeavour in an area, as well as the health and education projects that we propose.

Ms Roseanna Cunningham (Perth): Given that one of the main criticisms—to which the Secretary of State did not refer—of the national lottery at present is the allocation of extremely large sums to what are seen as white elephants or to projects that apparently benefit only a few individuals, where in his statement is there any indication that he will look again at the basis on which awards are made?

Mr. Smith: I draw the hon. Lady's attention to chapter 2 of the White Paper, where we set out precisely how we intend to go about doing that. We stress the importance of decision making nearer to the grass roots, the importance of small-scale rather than large-scale projects, and the importance of lottery money being able to support people and activities, rather than just buildings.

Mr. Barry Jones (Alyn and Deeside): I welcome my right hon. Friend's statement—yet another election promise kept. Does he guarantee that there will be more local, small-scale and after-school projects in Wales? Does he know of my astonishment that the recent application by the Sea Cadets of Connah's Quay on the River Dee in my constituency was thrown out? All they were asking for was the renewal of the tumbledown, damp and disgraceful building, in which they carry out their excellent operations. How will that rejection help my constituents, the Sea Cadets?

Mr. Smith: I regret that I cannot give my hon. Friend a specific answer on the question of the Sea Cadets' project. I can tell him that, throughout the country, including Wales, more local, out-of-school clubs and projects will become available to the people through the changes that we propose in the White Paper. I find it somewhat astonishing that the Conservative party should find it remarkable that a party should seek to keep the promises that it gave to the electorate during an election.

Mr. John Greenway (Ryedale): Will the Secretary of State be a little more forthcoming than he was in his reply to the hon. Member for Birmingham, Edgbaston (Ms Stuart) about finding more money to support dance, drama, horticulture and agriculture students? In a week in which it is widely predicted that the Government will announce the end of maintenance grants and the charging of fees for students in universities, would not it make much more sense to use lottery money for education and opportunity to support students rather than teachers being trained?

Mr. Smith: I am astonished that the hon. Gentleman does not think that the training of teachers is important. Any question of grants and fees for students is a matter for my right hon. Friend the Secretary of State for Education and Employment, who will make a statement later this week on the subject. The present scheme for dance, drama and other students was introduced by the previous Government and has been in operation for about three months. I want to see how it works before making hasty proposals to change it.

Mr. David Lock (Wyre Forest): May I congratulate my right hon. Friend on his fresh thinking on the lottery? I particularly congratulate him, as a London Member of Parliament and one who appreciates the high arts, on his acceptance that there may have been a south-east tilt in lottery applications and distribution in recent years. I hope that the review and any mechanisms for future distribution of lottery money will ensure that the people's priorities are reflected in the people's lottery and, especially, that people in the regions outside the south-east get a fair crack of the whip in future schemes.

Mr. Smith: I thank my hon. Friend for his compliments. I observe in passing that some parts of London have not done as well as some of the high-profile

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projects in the heart of the capital city, but I can confirm that the people in the regions can expect to benefit from the proposals that we have put forward today.

Mr. Patrick Nicholls (Teignbridge): Is it not a fact that we have been treated to a thoroughly miserable statement this afternoon? The Secretary of State has come to the Dispatch Box and said that teacher training and public health are no longer core functions of the Government, but can instead be supported by gambling. We have seen the Secretary of State squirming with unease, because he loathes the profit motive totally and yet is driven to the conclusion that the profit motive has provided the most successful lottery in the world.

We were promised a cheerful fairy tale this afternoon, but it has turned out to be a tale of two muggings. First, the Secretary of State has been mugged by the Chancellor and thoroughly rolled over and caned for his pains. More important than the indignity that the Secretary of State has suffered is the mugging of the people's lottery. The people's money has been raided by an incompetent Government, who, when faced with hard, genuine choices about public finances, have reneged on the promises and undertakings that they have previously given—on the arrogant assumption that the public will never spot the difference. The public will spot the difference, and the Opposition will make sure that they do.

Mr. Smith: That summation—if that is what it was meant to be—bore precious little resemblance to our exchanges this afternoon. The statement and the White Paper will enable the people of this country to get what they have long demanded: support from the national lottery, alongside the existing good causes, for innovative projects in health, education and the environment which add to the public's health, education and aspirations. That support will not replace the core responsibilities of the Exchequer and will put in place the people's priorities in the people's lottery.

Points of Order

4.19 pm

Mrs. Angela Browning (Tiverton and Honiton): On a point of order, Madam Speaker. I have given notice of this point of order to you and to the Secretary of State for Education and Employment. May we have some clarification of the procedures of the House? Following requests from hon. Members from all parties, you have commented in recent weeks about the way in which the Government impart information in respect of their decision making which would lead to primary legislation being taken on the Floor of the House.

May I draw your attention to the fact that the Dearing report—which is due to be published this week—was the subject of much media comment at the weekend, particularly in respect of students' tuition fees? In particular, the Radio 4 news bulletins at 8 am and 9 am yesterday stated clearly that the Government have confirmed that they intend to end the principle of free higher education for all and that Ministers have accepted the Dearing review. The bulletins gave the Government's response to a report which has not yet been brought to the House.

If parliamentary procedures are to be changed and such information is to be made available to hon. Members at 8 o'clock on a Sunday morning on Radio 4, I can assure the House that members of Her Majesty's Opposition are ready to man their radios. However, this seems to be a contradiction of the way in which such matters have been brought before the House in the past, and I should be grateful for your clarification.

Madam Speaker: I am ready to respond to the hon. Lady, whom I thank for giving me notice of her point of order. I, too, have carefully examined the media reports to which she referred. It seems clear to me that these were based on very heavy briefing on the contents of a report which, as she points out, has not as yet been published and on the likely ministerial response to it.

The practice of briefing in advance of a ministerial statement by Whitehall sources or ministerial aides has been current for quite a long time. My impression is that, over the past 20 years, it has progressively developed to the point where the rights of the House are in danger of being overlooked. The House is rightly jealous of its role in holding Ministers to account. If it is to fulfil its function properly, it must be the first to learn of important developments in Government policy. I deprecate most strongly any action taken that tends to undermine this important principle, and I am grateful to the hon. Lady for raising her point of order today.

Ann Clwyd (Cynon Valley): Further to the point of order that I raised with you on Friday, Madam Speaker. Have you had any indication from the Government that they are to make a statement on the reported sale of Hawk jets to Indonesia? It is important that such a statement should be made before the recess so that we are aware of the precise situation, which appears to show a contradiction in Government policy.

Madam Speaker: I have not been told today that any Minister is seeking to make a statement on that matter. I clearly recall the hon. Lady raising a point of order with me on Friday, and I am aware of her keen and continuing interest in this matter. Perhaps I might advise her that if she has an opportunity to do so, she might apply for an Adjournment debate before the House rises. There may still be time for that.

Mr. Francis Maude (Horsham): On a point of order, Madam Speaker. In answering my points earlier, the Secretary of State for Culture, Media and Sport said that I had had the White Paper some hours before he rose to deliver his statement. For the purposes of clarification—and to raise a wider point—I should say that I had half an hour to study the White Paper before he stood up and that I received the statement itself two minutes before he stood up. This makes it difficult to respond in a satisfactory way, and I hope that that will be dealt with satisfactorily by a Government who are prepared to listen to these concerns.

Madam Speaker: I see that there is a Minister from that Department on the Government Front Bench. Perhaps he did not hear the beginning of the right hon. Gentleman's comments, but I am sure that note will be taken of them. The point that was being made was that Opposition Front-Bench Members are receiving White Papers and statements rather late in the day, which gives little opportunity for them to prepare their response.

Mr. Norman Baker (Lewes): On a separate but connected point of order, Madam Speaker, arising from questions to the Secretary of State for Culture, Media and Sport. There are questions on the Order Paper today, not least No. 3, from the hon. Member for Bolsover (Mr. Skinner), which relate to the millennium, yet the Minister without Portfolio has not been present in the Chamber. I have received a written answer from him to say that he would answer oral questions on matters within his responsibility, in which he specifically includes matters to do with the millennium.

The Minister without Portfolio has not, as far as I know, been in the House to answer questions since 1 May. He has a large budget, he clearly has a lot of power behind the scenes, and he has specific responsibilities for matters that were answered this afternoon—most ably, no doubt—by the Secretary of State. I seek your guidance, Madam Speaker. There is a danger that the Minister without Portfolio is bypassing the Chamber and Parliament and acting in a way that is discourteous to you and to the House.

Madam Speaker: It is not a matter for me which Minister answers questions at the Dispatch Box. There is something known as collective responsibility, and any Minister from that Department may answer questions.

I see the Secretary of State. Is he trying to raise a point of order?

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): Further to that point of order, Madam Speaker. The questions on the Order Paper today were about the millennium in general; I have responsibility in the Government for the overall celebration of the millennium. If a question is specifically about the exhibition at Greenwich, it will be answered by the

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Minister without Portfolio. Indeed, had we reached a question much further down the Order Paper, he would have been here to answer it.

Madam Speaker: I have the *Official Report* for 7 July, in which, at column *324*, the Minister without Portfolio says that he will answer questions on the millennium dome.

Mr. Baker: Further to that point of order, Madam Speaker. Question No. 18, which I tabled, was specifically about the millennium dome, and we had a reasonable expectation that we might reach it.

Madam Speaker: Order. As the Secretary of State said, we did not reach it. It would be nice sometimes if we could get to Question No. 18. I constantly press ministerial Departments to reach questions that are further down the Order Paper. If we had reached No. 18, the Minister without Portfolio would have answered it.

Dr. Liam Fox (Woodspring): On a point of order, Madam Speaker. You may or may not be aware of many credible sources that now claim that *The Scotsman* newspaper will publish on Wednesday morning details of the Government's White Paper on devolution for Scotland, a full day ahead of its publication and availability to Members of Parliament. Given what you said in answer to a previous point of order, would not such a deliberate leak in advance by the Government be quite contemptuous of the House and, given this advance warning, does it not fall on the Government to use all their facilities to ensure that such a publication does not happen before the House receives properly the Government's White Paper?

Madam Speaker: I take seriously the point of order that the hon. Gentleman is making, although it is hypothetical. I have no information that any newspaper will publish such information. If it intends to do so, there is nothing that I, as Speaker, can do to stop it. The hon. Gentleman is quite right. It is for the Government, who may well wish to take out an injunction. If the hon. Gentleman has evidence—and one needs evidence—may I suggest that he presents it to the President of the Council?

Mr. Ian Bruce (South Dorset): On a point of order, Madam Speaker. First, I declare a financial interest, as I have three daughters currently at university who would, of course, be affected by the leaked proposals to raise additional moneys by loans for tuition fees.

We are about to discuss the Education (Student Loans) Bill, yet we have had leaks over the weekend about proposals on student loans of which the House does not have official knowledge. How can we have a proper debate in the House on that important issue when the Government have leaked information to the press and told everyone else but the House? Surely it would be out of order to speculate what will be in the Dearing report on Wednesday as it has not been published. This debate ought to be postponed until we have seen that report.

Madam Speaker: I have done my best to deal with that matter, which was raised earlier. We must get on with the debate.

Mr. Stephen Dorrell (Charnwood): On a point of order, Madam Speaker. In response to my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning), you made it clear that you deprecated what had happened over the weekend in connection with the Dearing report. In the past few moments, the Secretary of State for Education and Employment has come into the Chamber. Given what you said in your ruling, I wonder if he will take the opportunity to launch an inquiry in his Department as to whether it is true—as reported by the BBC's education correspondent—that Ministers had accepted Dearing's argument and decided on a certain course of action and whether it is true that Ministers gave the BBC that briefing over the weekend. In the light of your ruling, if it is true, the Secretary of State should come to the House to apologise for that fact.

Madam Speaker: I am not prepared to allow debate on that matter. The House has heard how strongly I deprecate those very heavy briefings, given either by Ministers, civil servants or Ministers' aides. I think that that stands in *Hansard* and I am sure that it will be read by people in the Department concerned and other Departments, who know how much I totally disapprove of what has taken place in the past few days.

Orders of the Day

Education (Student Loans) Bill

Order for Second Reading read.

4.31 pm

The Minister for School Standards (Mr. Stephen Byers): I beg to move, That the Bill be now read a Second time.

It may be helpful if I make hon. Members aware that this measure has nothing whatsoever to do with the Dearing report or the Government's response to it. The measures contained in this Bill relate to loans that have been made to students or might be made in the coming academic year under the existing procedures, which will be totally unaffected by any policy changes that might come as a result of the Government's response to the Dearing report.

Mr. Don Foster (Bath): Can the Minister confirm that nothing will be proposed arising out of this Bill that will in any way change the repayment mechanism for students who already have loans of one sort or another?

Mr. Byers: Yes, I can confirm that.

Later this year, we will need to produce proposals for regulations concerning repayment as well as many other matters because we will need to put those on a fixed footing, which will mean that we will no longer be able to debate them annually in the House. We will need to freeze, for example, the regulations that affect repayment procedures. Once that is done, there will be no further changes. Recommendations that come out of Dearing, therefore, will not have any consequences as far as those repayments are concerned.

Mr. Ian Bruce (South Dorset): I am grateful to the hon. Gentleman for trying to put the House straight about the leaks at the weekend. From my reading of the Bill, it would seem that the Government will subsidise any company that decides to buy in the debt portfolio. Is he saying that this legislation will not be affected by any doubling—I suspect that it will be a doubling—of the amount of money being loaned to students, which I assume would be sold on to a financial institution, should the Government decide to double the amount of money going into loans?

Mr. Byers: Those are two separate and distinct issues. The measure before the House relates to the student loan book and the debt that we intend to sell on to the private sector. The recommendations that result from the inquiry and the Government's response to it will be quite separate, and will be dealt with differently from the measure that we are considering.

The Bill is before the House for substantial reasons. The previous Government put into this year's and next year's spending programme receipts from the sale of the student loan book amounting to £1.6 billion in this financial year and £1.5 billion in the year 1998–99.

We made it clear that we intended to stick within the budgets laid down by the previous Administration, so it follows that the receipts that we expect from the student loan debt are necessary to meet the previously published spending plans. Indeed, my right hon. Friend the Chancellor of the Exchequer made it clear in his Budget statement on 2 July that, to meet our spending plans for this financial year, we would expect £1.6 billion from the sale of part of the student loans debt.

The Government have two overriding objectives. First, we are committed to the development of a wide range of public-private partnerships, because they bring private resources and expertise into the public sector and involve a transfer of risk to the private sector. Selling student loans will transfer to private sector financial institutions the credit risk currently borne by the Government. Those institutions have the experience of managing loans and are better placed to deal with such risks.

Secondly, the sale will also enable the financial markets to establish a clearer understanding of publicly funded student loans, which could in future encourage financial institutions to play a more direct role in the provision of student support. We are all aware that the previous Government sought to interest the private sector in student loans, which led to the Education (Student Loans) Act 1996. One reason why the twin-track approach proposed by the then Government in that Act failed to capture the banks' and financial institutions' imagination was that most of them did not understand the nature of student loans.

I understand that that Government's discussions with those bodies that had expressed an interest revealed clearly that they had no understanding of the concept of publicly financed student loans. We hope that the Bill will foster a greater understanding of the nature of the student loans system and that there may be beneficial developments in public-private partnerships as a result.

Mr. Andrew Welsh (Angus): The Minister is explaining how the legislation will help the Government in their finances; how will it help the students in theirs, given the massive amount of student debt and the surprising and disgraceful number of student dropouts that occur as a result of such measures?

Mr. Byers: A little later, I shall talk about the safeguards that we intend to put in place, to ensure that no student who presently receives a student loan will be adversely affected as a result of the legislation.

The whole of our education service will benefit from the Bill. We intend to receive £1.6 billion in sales this year and £1.5 billion in the next financial year. If that money were not received, there would be a deficit in the Department's budget; that would clearly have an adverse effect on the service that can be offered, whether in universities, in schools, or in higher or further education generally.

Mr. Julian Brazier (Canterbury): As we are unlikely to have an opportunity before the summer recess to debate any additional burdens that are likely to be placed on students as a result of the Dearing report, I believe, as someone who represents a constituency with a lot of students, that we must consider the total burden on students and that it would be better to focus on tighter quality controls, as several of us suggested in written submissions to Sir Ron Dearing, rather than imposing tuition fees or other still greater burdens on students.

Mr. Byers: I can understand why hon. Members want to focus the debate on what might come out of the

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Dearing report, but I must reiterate that the measures before us today have nothing to do with the recommendations that will come from the Dearing inquiry or the approach that the Government will adopt towards them. I understand the hon. Gentleman's concern. It may help him to know that my right hon. Friend the Secretary of State for Education and Employment intends to make a statement on the Dearing inquiry to the House on Wednesday. That will provide an opportunity for hon. Members to raise such concerns.

Mr. Phil Willis (Harrogate and Knaresborough): Are the £1.6 billion in this financial year and the £1.5 billion in the next financial year net of subsidy? If they are not, how much subsidy does Minister expect to be netted off?

Mr. Byers: I am afraid that I cannot comment on the level of subsidy at this stage because, as the hon. Gentleman knows, there is a competition, which was started by the previous Administration, for the sale of student loan debt. I will deal later with the power in the Bill to give a subsidy to the purchaser of student loan debt. We cannot say at this stage how much that subsidy will be, but I can say that there is a very strong competition between 20 leading financial institutions, and we intend to ensure that the lowest possible subsidy is achieved through that. It would be inappropriate to comment on the level of subsidy, because we do not want to show our hand to the competing companies.

The Government were elected on the basis of a manifesto pledge to work within the spending plans already announced for the next two years. That pledge and our pledges on inflation and taxes are designed to create conditions for economic stability and a platform for sustained economic growth. Proceeding with the sale of loans will play a critical role in enabling us to keep that pledge. The public spending plans that we inherited include substantial sales of student loans in this financial year and the next. Given the tightness of those plans, and the need to give priority to our education programmes, as the Chancellor of the Exchequer did in his Budget statement on 2 July, we have decided that we will proceed with the sales.

To achieve the level of receipts planned by the previous Government, we will need to pay some subsidies to the loan purchasers, but the sales will be made through competitive tendering. As I said earlier, 20 substantial financial institutions have already responded to the first stage of the competition. We intend to accept the most competitive bid. While the scale of subsidies cannot be predicted in advance, we will ensure that we get the lowest possible subsidy required to be attractive to the private sector.

Before coming to the details of the Bill, it may be helpful to the House if I put them into context. Two measures on the statute book deal with student loans: the Education (Student Loans) Act 1990, and the Education (Student Loans) Act 1996, which introduced the twin-track procedure. Hon. Members might have found it difficult to understand how this measure impacts on those Acts, so I provided in the Library last Thursday a note that clearly showed its effects. I also sent copies to the shadow Secretary of State for Education and Employment and to the hon. Member for Bath (Mr. Foster). I hope that that will be useful in considering the Bill.

The Bill is, in many respects, a technical matter. Hon. Members may ask why we need to proceed now and why we should not delay at least until the Dearing report comes out. As I said, the Bill is quite different and distinct from the Dearing report, and it would be a mistake to confuse the two issues. Today, we are considering student loans which were made under the existing regime or will be lent in the forthcoming academic year. Those will be unaffected by any proposals that might come from the Dearing report.

Many people believe that there are sufficient powers under the 1990 and 1996 Acts to allow my right hon. Friend the Secretary of State to pursue the measures in the Bill. However, experience and, in particular, advice from our private sector advisers and from counsel, as well as feedback from the first stage of competition, have shown that there are substantial gaps in the legislation that need to be filled if we are to achieve a sale that meets the needs of the loan purchasers, the borrowers and the Government.

The Bill has three main provisions. In brief, their purpose is to make the loans into something that the private sector can recognise, work with and value. Clause 1 is about the power to sell public sector student loans. It amplifies and replaces an earlier power contained in the 1990 Act. In particular, it allows the lender, in this case the Student Loans Company, the power to assign its rights over the loans in question. It also allows my right hon. Friend the Secretary of State to pay subsidies to loan purchasers in such circumstances as he judges necessary in the light of the competition. It also allows us to buy back some of the loans sold and to assign them as necessary to a third party.

Mr. Robert Jackson (Wantage): Will the Bill enable future student loans to be dealt with in the way that the Bill provides?

Mr. Byers: Student loans made available during the academic year 1997–98 will be covered by the provisions outlined in the Bill. In later years, it will depend on the circumstances that arise from any recommendations that come from the Dearing report. We will have to bide our time and wait to see what recommendations the Government will make on Wednesday in the light of the report of the Dearing inquiry.

Clause 1 also allows the Government to buy back some of the loans that have been sold and assign them to a third party. Our intention in taking this power is to enable the Government to buy back loans that we want to cancel for social policy reasons. For example, it is the policy of the Government to cancel loans where the borrower dies. In such circumstances, we might want to be able to buy back loans assigned to a private sector party. Clause 1 allows us to do precisely that. We do not believe that it would be reasonable to pass such a burden to the private sector. It is a matter of public policy and it is therefore right that that power should reside with the Secretary of State.

Finally, clause 1 provides for an independent complaints procedure. Currently, borrowers can take complaints about how their loans are administered to an independent assessor, whose rulings are binding. Clause 1 will ensure that borrowers whose loans are sold retain that important right.

As I said, to achieve the planned level of receipts, it will be necessary to pay subsidies to the purchaser. That is inevitable because student loans are unusual.

The loan scheme is relatively recent, and there is little track record to allow the private sector to assess the risks involved. The purchaser therefore takes a gamble on the unknown. There is no real interest rate; loans are pegged at the rate of inflation so that borrowers repay only what they borrowed. Additionally, borrowers earning less than 85 per cent. of average income can defer repayments year on year. Those are not commercial loan terms, so the debt cannot be sold on such terms.

In those circumstances, without a subsidy, loans could be sold only at a fraction of their face value. By paying a subsidy that compensates the purchaser for some of the risk outside the purchaser's control, we will be able to achieve the best return. We shall do everything possible to ensure that the competition between bidders is strong. At the end, we shall accept only the best bid.

In clause 2, our objective is to freeze the terms of the loans when sold—which refers to the point made just now by the hon. Member for Bath. Loan terms can vary. The most significant core terms are the time and manner in which repayments are made, and the deferment and cancellation rights. If those terms are varied—for example, if more loans are cancelled for policy reasons, or the repayment periods are shortened—it could have a significant and adverse financial effect on the purchasers. Clearly, they are not risks that the private sector can control: companies would price the risk of change into their bids, or expect compensation in full. Either way, there would be a substantial cost to the Government.

Clause 2 therefore provides that loan agreements must set out in detail the core terms on time and manner of repayments, deferment and cancellation. Those matters are currently discussed annually when we debate the relevant regulations in the House. Once the Bill becomes law and before the sale, we shall make new regulations fixing the core terms for all loans. The terms will therefore be frozen, and loan purchasers will be protected from the financial cost of changes. The act of freezing will also protect borrowers. We shall make sure that the terms are frozen without change to those existing when the loans were taken out. That is one of the safeguards that we shall put in place to protect existing borrowers.

As to Clause 3, we want to put public loans on an entirely contractual basis, like any other commercial loan. It removes from the lender—the Student Loans Company—and subsequently from the loan buyer, the operation of public law functions. The key point is that, under existing legislation, the loans purchaser must exercise the public law functions by reference to the Student Loans Company. The functions cannot be transferred, and it cannot take any decisions itself. That makes administration complex, cumbersome and expensive—and, frankly, it is doubtful whether the loans could be sold on that basis.

Clause 3 ensures that buyers are dealing with the sort of loans they understand—loans subject to contract law and to consumer credit legislation—and not public law procedures, such as judicial review. Therefore, the clause removes all public law functions so that the lender and purchaser administer the loans purely as commercial contracts.

Hon. Members would naturally be concerned if the clause were to mark any reduction in the rights of borrowers, but it will not do so. The borrower will be safeguarded through our sale agreement with the purchaser, which will set down minimum requirements as to administration. The borrower will also have the protection of the terms of the loan agreement, which will have specific provisions on the core issues of repayment. Borrowers will continue to have the general protection of consumer rights legislation.

Clause 4 is a straightforward extension of the provisions to the whole United Kingdom, and the remaining clauses are consequential. However, I draw the attention of the House to two specific issues. The first relates to the rights and the position of existing borrowers—which I know will concern hon. Members—and the second to the future role and function of the Student Loans Company. As far as the existing rights of borrowers are concerned, selling the loans and transferring the risk of default to the private sector inevitably means that the purchaser must take over responsibility for loans administration.

However, that does not mean that borrowers will be abandoned. We shall introduce a number of important and significant safeguards. We shall specify in the sale agreement with purchasers minimum collection standards that must be adhered to. They will be based on the present procedures adopted by the Student Loans Company. A purchaser's failure to abide by the minimum collection standards could lead to legal action. The borrower will be safeguarded by the terms of the loan agreement and, more generally, by consumer and data protection legislation.

Student loans are made on generous terms. With the right of deferment and the discretion that lenders have to deal with borrowers who run into financial difficulties, there is no reason why borrowers should default. Those who do must expect to have legal action taken against them, whether their loans are owned publicly or privately. However, such a regime should be sympathetic. We believe that the one presently operated by the Student Loans Company forms the correct basis for introducing our minimum collection standards.

Nor need there be concern that an unscrupulous private sector party will use information held on student borrowers for his own ends. The Bill states explicitly that no person shall provide or make available to anyone else any information held in connection with the loans if that information is to be used for soliciting custom and services.

Disabled borrowers are a special case, and they are dealt with as such in the existing legislation. There is considerable discretion to treat them more favourably according to the measures that the House has introduced already. We intend to ensure that they continue to receive such sympathetic consideration.

We therefore intend that such loans, when identified, should be bought back from the private sector. We shall retain an independent complaints procedure. At present, borrowers can take complaints about the way in which their loans are being administered to an independent assessor, whose rulings are binding. That important right must remain—and, under our proposals, it will.

The legislation will allow loans to be sold on by the original purchaser. Without this normal market freedom, it is unlikely that we would attract a buyer—certainly, the competition would be limited and the subsidy costs higher. However, our contract with the buyer will provide protection for borrowers by ensuring that the Secretary of State must approve all subsequent sales.

[Mr. Byers]

Hon. Members may be concerned about the future role of the Student Loans Company. That is a non-departmental public body, and its shares are wholly owned by the Secretary for Education and Employment and the Secretary of State for Scotland. Private sector institutions will have the freedom to choose whom they wish to administer the loans. The purchaser of the debt will have the option to administer the debt himself, to contract it out to a third party, or to use the Student Loans Company.

If the Student Loans Company is used, it would have to be on the basis of an arm's-length contract. We would ensure, first, that the fee the company charges is without subsidy, thus preventing unfair competition against other prospective administrators; and, secondly, that the fee charged is not connected to collection rates, thereby preventing the Government from re-assuming any of the default risk transferred to the debt purchaser through the loans administration contract. The long-term future of the Student Loans Company will have to considered as part of any changes to student support that emerge from the Dearing inquiry and the Government's response to its recommendations.

This sale will involve the private sector in an area where we wish to see public-private partnerships develop in the future. Its measures propose to ensure that the interests of existing borrowers are safeguarded. The Bill will guarantee receipts of more than £3 billion in the next two years to support our education plans, based on raising standards, extending access and high-quality provision. I commend the Bill to the House.

4.58 pm

Mrs. Angela Browning (Tiverton and Honiton): I begin by congratulating the Minister for School Standards—particularly on his delivery of information which falls not far short of having to read the telephone directory from the Dispatch Box. We welcome the Bill. Its measures carry on from where we left off, moving to a system whereby private sector lenders take responsibility for the provision of student loans.

It is our view, and has been for some time, that the Government should not be in the business of lending to individuals. The private sector has a proven record of being much better placed to manage the risks involved, and much more experienced in recovering loans.

In government, we took action to move in that direction. I promise the Minister that I shall not repeat what he has said page by page, but he made reference to the Education (Student Loans) Act 1996, which sought to enable the payment of Government subsidies to financial institutions in the private sector to facilitate the provision of loans to students in higher education. Under the Act, students would still be able to apply for loans from the Student Loans Company. However, the clear aim was to ensure that most subsidised loans would eventually come from the private sector, with the choice resting with the student.

Following extensive negotiations with financial institutions, that twin-track, public-private model did not proceed. As a result, the Conservative Government came up with an alternative proposal to sell some of the existing student loan debt to the private sector, and to contract out the work of the Student Loans Company. That proposal is contained in the Bill.

There is estimated to be about £2 billion in outstanding loans. Selling some of that debt will bring benefits to the Government and to the taxpayer by transferring some of the risk to the private sector.

We welcome the fact that the Government have decided to press on with the sale of student loan stock. It is a step in the right direction, and we hope that the Government will continue to look for ways of involving the private sector still further in the provision of student loans.

In response to questions from Conservative Members, the Minister said that there will be a statement on Wednesday on the Dearing report. It would be helpful if he could confirm whether any additional loans or changes to the loans system will be accompanied by a decision on Wednesday on how loans are to be serviced and whether they are to be part of a package that will be passed on for the private sector to deal with.

Mr. Byers: I have not briefed anyone on the Dearing report, and do not intend to do so now. Hon. Members must wait until the statement on Wednesday afternoon to find our how the Government intend to respond to the recommendations of the Dearing inquiry, and in particular our views on student support in future years.

5.2 pm

Mr. Phil Willis (Harrogate and Knaresborough): On Friday last, the same cast of hon. Members sat in the Chamber and, despite our differences, we congratulated the Government on producing a White Paper that was a good basis for discussion. I spoke to a number of head teachers in my constituency this morning, and there was also a great deal of support on the ground. The Minister and his team rightly went away on Friday with some satisfaction about a job at least well started.

Today, the same Minister is at the Dispatch Box attempting to put a brave face on legislation that was cobbled together by the previous Administration to meet cash-limited spending plans. The present Chancellor admits that this legislation

"is a critical element in meeting the Government's manifesto pledge to work within spending plans already announced for the next two years."

Our schools will be starved of cash this winter and, at a time when our universities are crying out for resources, the Secretary of State for Education and Employment sees yet another valuable asset snatched from under his nose in the name of financial expediency, because that is exactly what the Bill is about.

We now know why the Government did not include the Bill in the Gracious Speech. It was not an oversight, as was said in a leak to the newspapers this weekend. It was not included because the Government were embarrassed at having to introduce such unacceptable legislation.

The Minister and the Labour party when in opposition, together with the Liberal Democrats, condemned the proposals contained in the 1996 Education (Student Loans) Bill as much for their vagueness and lack of detail as for their intention. However, today the script is so similar to that used by his predecessor, the right hon. Member for Bromley and Chislehurst (Mr. Forth), that the

House could be forgiven for believing that the general election never happened. Like a long-running play, the director merely changed the cast to give the script new life.

To be fair, I know how committed the Minister is to his portfolio, and I am sure that he is embarrassed at having to introduce the Bill. I do not, therefore, want to cause him any more anxiety than he deserves.

The Liberal Democrats do not have any philosophical difficulty with the principle of student loans or with the involvement of the private sector. We understand the need to keep the public sector borrowing requirement under control, and we recognise the part that the private sector must play. We have always asked for negotiations to be open and capable of scrutiny, and for there to be a tight regulatory system that protects the students and the taxpayer. Above all, we seek a system that treats all students, both part time and full time, with equality.

We fully accept that the Government have real difficulties in funding higher education. I have no doubt that, despite the leaks, Wednesday and the following days will be traumatic for the Government as Back Benchers try to wrestle with their consciences. However, we have never supported the current student loans scheme. The Bill fails to meet the criteria for our support, so if there were a Division, we would not support the Government.

Had parts of the proceeds of this "fire sale" been allocated to our universities to make up for the 28 per cent. cut in funding for students in the past six years, or for the 30 per cent. cut in capital budgets last year, there may have been some justification. As the hon. Member for Angus (Mr. Welsh) rightly pointed out, the Bill does nothing for our universities, which are experiencing a funding crisis. Not a single penny of the £1.6 billion that the Government are hoping to raise this year will go into higher education.

I may be doing the Government a disservice and our interpretation may be wrong. Will the Minister explain what proportion from the sale of this debt will be reinvested in higher education this year, and what proportion will be used to alleviate student hardship? After all, it is the students who have created the debt.

Although the Treasury may benefit from receiving £1.6 billion this year and £1.5 billion next year, the taxpayers may not benefit in the long term. Under the Bill, the Secretary of State can make any arrangements "as he thinks fit" to subsidise private sector buyers and to guarantee any losses through default. The Bill contains no details of the extent or the limit of those subsidies, or the cost to the taxpayer of making the portfolio saleable. In short, the Bill enables the Secretary of State to write the private sector a blank cheque.

One can imagine the howls of dissent from Labour Members if this measure had been introduced by the previous Administration. During the Budget debate, the hon. Member for Bolsover (Mr. Skinner) and his hon. Friends, when they espied the former Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), in the Gallery, shouted to him, "Come on down, the price is right." This proposal is akin to a game show called "The price is always right, whatever it is."

To give them credit, the previous Government always hoped that the private sector would take some, if not all, responsibility for student loans, including administration. We know that the private sector was not interested in 1990, and, as predicted, the burden for administration and cost fell on the taxpayer and the universities.

A further attempt in 1996 by the former Secretary of State for Education and Employment, the right hon. Member for South–West Norfolk (Mrs. Shephard), also failed. Her comments in a press release on 19 December 1996 were most revealing and, if I may say so, characteristically frank. She said:

"In the event we have not been able to agree a deal which could meet their"—

the private sector's—

"requirements at the right price for the taxpayer".

Now it seems that the right price is any price. The market knows that the Chancellor must meet his cash requirements this year because he has said so. It knows that the cash is required by an arbitrary date because he has said so. The market therefore knows that it can demand whatever subsidies it requires to cover its costs and guarantee its profit margins. It can even build in subsidies to cover default if students fail to pay.

When the Chancellor said that

"the size of the continuing subsidies cannot be predicted in advance",

what he was saying, loud and clear, was that this was yet another opportunity for the City fat cats to profit at the taxpayer's expense. It is rather as though someone wishing to sell a car put an advertisement in the paper stating, "Must be sold by Friday—owner emigrating and needs cash for air fare". That is the extent to which we are in hock to the private sector. Such an approach to the selling of public assets is not only bizarre; it is exactly the sort of approach of which the Labour party would have been extremely critical when in opposition.

The Liberal Democrats do not believe that the Bill will be in the best interests of taxpayers. Indeed, we believe that the Chancellor has seriously compromised the position. If the Bill is passed, we shall want the National Audit Office and the Public Accounts Committee to examine the arrangements for the sale of the student debt portfolios, and to report to the House before any sale is confirmed. We seek the Minister's assurance that no sale will proceed without that level of scrutiny, and the guarantees for which we ask.

The third issue that I wish to raise concerns the terms on which loans will continue to be offered. We have long argued—and, indeed, the Labour party argued when in opposition—that the repayment of student loans should be income-contingent. We would favour a system whereby more generous loans were repaid through a national insurance contribution scheme or, in the future, a joint tax and national insurance contribution scheme.

As the Minister will recall, during the Committee stage of the Education (Student Loans) Bill in 1996, an amendment tabled by my hon. Friend the Member for Bath (Mr. Foster) proposed that

"the Secretary of State shall be under a duty to ensure that the level of repayments to be made by borrowers is, so far as practicable, income contingent".

The Minister will also recall a similar amendment tabled by the then hon. Member for Oldham, Central and Royton, Mr. Bryan Davies. Although not pressed to a vote, the amendment received considerable support, and, I understand, formed part of the Labour party's proposals to the Dearing inquiry.

[Mr. Phil Willis]

On Second Reading of the Bill in 1995, the then hon. Member for Oldham, Central and Royton outlined a number of principles for the future of student loans. He said:

"any system of student funding should be fair to both students and the taxpayer. That means that it must be efficient and progressive".

Is that still the Government's position? If so, why have they not taken the opportunity to include changes in the regulations in the Bill? Such changes would have framed future loan repayments, thereby delivering what we believe is essential if we are to attract the next generation of students from poorer homes into higher education—even if it would not have been possible to do the same for existing borrowers.

That leads me to the fourth and final reason why we believe that the Government should stop and think before proceeding with this "sad and miserable little Bill"—a phrase used by my hon. Friend the Member for Bath, which he insisted that I put in. I refer to the publication of the Dearing report on Wednesday this week. I remind the Minister of what his former colleague the then hon. Member for Oldham, Central and Royton said in the House on 27 November 1995 when discussing the last Education (Student Loans) Bill. He said:

"He should also recognise that the Government are involved in an extensive consultation exercise on higher education. Why are they rushing to implement one particular measure when a whole range of higher education issues are part of a national debate?"—[*Official Report*, 27 November 1995; Vol. 267, c.953-57.]

What has changed? Surely the logic of the position taken on 27 November 1995 is even more apparent now, just two days before the publication of the Dearing report.

Both the last Government and the present Government acted bilaterally to commission Sir Ron Dearing to examine, among other things, the future funding of higher education. The report will inevitably be controversial, particularly if it suggests that students pay for tuition as well as maintenance. If students are to be expected to make larger contributions to their higher education costs, they will

"need to be underpinned by an efficient system of student loans that is both cheap for the student and the taxpayer",

as Tim King said in *The Independent* on 15 July.

It is, we think, inevitable that the private sector will be asked to play a significantly greater part in developing such a scheme. We repeat that we have no principled objection to that; but, if the student loan portfolio is to be significantly larger in the future, it may be more valuable to students, taxpayers and the market for the current debt portfolio to be included in a more comprehensive scheme. Surely it is in everyone's interest at least to await what the Dearing report has to say about funding, and to evaluate its proposals, before embarking on legislation.

The Bill is a short-term expedient which does nothing to resolve the long-term funding crisis in our universities. It does nothing to create a long-term level playing field for our students, and, as such, it does not deserve our support.

5.14 pm

Mr. Robert Jackson (Wantage): I support the Bill, which, I believe, contains hidden depths. On the surface, it looks like a piece of purely technical legislation—so technical, indeed, that it has been capable of being carried over from one Parliament to another, and from a Conservative to a Labour Government. Notwithstanding the disclaimers in the Minister's opening speech, however, beneath the surface, it opens the way potentially—I stress the word "potentially"—to a revolutionary improvement in the conditions in which higher education is provided in Britain. That is why I strongly disagree with the analysis that we have just heard from the hon. Member for Harrogate and Knaresborough (Mr. Willis).

On 27 November 1995, on Second Reading of the earlier, related Bill, I set out something of the background to the legislation as I saw it. The significance of this Bill—the Minister glossed over this point—is that, by privatising the debts of students and former students to the Student Loans Company, it enables that debt to be increased without reference to the public sector borrowing requirement and the limits on public borrowing. That opens the way to a welcome extension of support, through loans, for the many students who are currently excluded, such as part-time and postgraduate students. It opens the way to an extension of student loans to support the payment of tuition fees for higher education. That, in turn, opens the way to an increase in the resources available for higher education—for which the hon. Member for Harrogate and Knaresborough called—after many years of falling per capita costs. Perhaps even more important, it will potentially enable universities to recover a stronger sense of their autonomy and independence, after a long period in which those values have been regrettably eclipsed.

On Wednesday, the Government will make a statement about the report of Sir Ron Dearing's committee of inquiry into the funding of higher education. The Bill can, I think, be seen as paving the way for that statement—I do not believe that the timing of today's debate is accidental. As the two are thus intimately linked, and as this is almost certainly the only opportunity that I shall have to make a speech on this issue before the autumn, I want to say one or two things about the new regime of tuition fees which at last seems to be coming into view.

The reports in the press about the Government's intentions are confusing and contradictory. We have already engaged in some discussion of them during points of order. It seems that the Government have decided three main points—first, that there will be a tuition fee; secondly, that this will constitute an additional income for universities; and, thirdly, that the parental contribution to student maintenance will continue.

If those are indeed the Government's intentions, I congratulate them. It is 10 years almost to the month since, as the Minister responsible for higher education, I attempted to launch a public debate about what were then called top-up fees. I remember a conversation with some journalists—leading to blaring headlines—in which the figure of £500 a year was mentioned. Ten years later, after a period of some inflation, it looks as though the figure will be £1,000. My comment is "Better late than never". If the Government are indeed taking that line, let me say to my right hon. and hon. Friends on the Opposition Front Bench that, after 10 years, it is high time that the nettle was grasped. If that is what the Government are going to do, they deserve and should have our support.

We should support the Government if they have indeed decided to accept the recommendation of Sir Ron's committee, which envisages a tuition fee of £1,000 a year. I refer my right hon. Friend the Member for Charnwood (Mr. Dorrell) to my speech in the public expenditure debate on 6 March, when I argued against replacing the parental contribution to student maintenance by an extension of the loan scheme. As I explained in that speech, replacing parental contributions by loans would be regressive in terms of social and financial equity. Above all, it would remove the prospect of the universities acquiring access to a new stream of income under their own control and, therefore, of strengthening their autonomy and independence.

It is that concern with the universities' independence and autonomy that leads me, however, to say to the Government that I hope that the figure of £1,000 that has been bandied about will not be regarded as a flat-rate sum, and that the legislation to enable tuition fees to be paid by loans from the Student Loans Company Ltd. or its successors will be as flexible as possible. The right approach is that which I set out in my speech in March, according to which the Government should indicate a maximum sum that they are prepared to allow the student loan fund to provide for tuition fees, but, beyond that, the Government should not intervene to require a fee at that rate, and only at that rate, to be levied. Indeed, one might argue that, with the passage of the Bill, even such a limitation on the part of the Government would be unnecessary as, with student loans in the private sector representing no additional cost to public expenditure, the Government no longer have any financial interest in restricting the amount of student borrowing and, therefore, of university charging.

I hope that the Government will disregard the out-of-date view that they have a duty to intervene by fixing a flat-rate fee to ensure that institutions of higher education do not compete with one another. They are already in fierce competition to attract the best students. I hope also that the Government will disregard the view that it is somehow illegitimate to distinguish between courses on the ground of price. There are already huge incentives for students to choose one course rather than another, arising from the different expectations of income after graduation that are held out by different courses—not that any of this seems to be in any way a material factor in influencing student choices. Arguments such as those reflect an outdated and excessively paternalistic concept of the Government's role in relation to students and universities.

It needs to be recognised that, inevitably, the costs of higher education courses vary considerably. There are some courses—for instance, those provided by the conservatoires of music—that cannot be taught without high-cost one-on-one or small-group tuition. There are also remedial and access courses for the all-too-many students with high intellectual potential that has not been sufficiently developed in our schools. Those also often require one-on-one or small-group tuition, leading to costs higher than the average. Similarly, dare I say it, there are students whose intellectual potential and attainments are such that they, too, will benefit significantly from higher-cost methods of tuition.

It would be unnecessary and a reflection of an outdated, bureaucratised concept of the relationship between Government and higher education for the Government to insist on any policy that presupposes or tends towards the equalisation of costs in higher education. In this context, I want to make special mention—I hope that the Minister will note this point—of the position of Oxford and Cambridge and their college fees. This is an important question because of its relation to the international stature of those universities and the advantages that that brings to this country.

The justification of these college fees is, as I have pointed out, that, for certain types of student, in certain specific situations, it may be desirable that higher tuition costs should be incurred. Admittedly, it was always anomalous in the old bureaucratic system, which we are now, I hope, replacing, that this claim was not fairly and squarely measured against other claims through the higher education funding system operated by the University Grants Committee and its successors. There was always, I concede, something suspect about the fact that the Oxbridge college fees were paid, so to speak, out of the Secretary of State's back pocket. But I hope that, in this new era, the Oxford and Cambridge colleges will not now have to pay a penalty for the special dispensation that they have received in the past. It would not be right for the Government simply to abolish their contribution to Oxbridge college fees. And it would be still worse, and probably unconstitutional under the forthcoming Bill of Rights, for the Government to seek to prevent the colleges from charging such fees.

The proper course is to remit the question of Oxbridge college fees to the higher education funding councils and, at the same time, to leave it to the colleges to charge fees at their own discretion, using the private sector loan scheme that the Bill will open up.

I know that one of the concerns here relates to equality of access to Oxford and Cambridge and, indeed, to all our institutions of higher education. But, again, it would be an example of outdated thinking to conclude from the admirable principle that access should be open equally to all on merit, that the only way of doing that would be by equalising the financial terms for all courses. As I suggested in my speech in March, the right way for the Government to address this issue is for them to say to higher education institutions that, as they benefit and will continue to benefit from substantial taxpayer funding, the Government expect them to continue to operate, under a new regime of tuition fees, what the American private universities call a "means-blind" system of admission. Admission to universities, including our world-class universities, must be strictly on academic merit—and I hope that I need not add that that does not mean that their admission policies should be determined by any sort of quota system.

Behind and above all these technical details, there stands a high principle that I believe the Government wish to honour. That principle is that there is, indeed, such a thing as "society" and that there is and needs to be a wide range of flourishing, independent and diverse "intermediate institutions" between the state and the individual—intermediate institutions of which the university is not the least important.

Our universities are, in legal form, free and independent private corporations. For some few recent decades, they have chosen not to charge fees to their United Kingdom students. That period is now coming to an end and the Bill opens the prospect of a return to higher education funded in part by student tuition fees.

[Mr. Robert Jackson]

The period during which universities relied only on the Government and taxpayers' money as a source of funding was a period in which, despite many great achievements, the independence and, consequently, the morale of our universities steadily declined. If that trend were to continue, the consequences would be dire for a society such as ours that increasingly depends on knowledge and its expansion. That is why the Bill and the policy that I hope will be announced on Wednesday could represent what I called earlier a revolutionary improvement in the outlook for our universities. I look forward with keen anticipation and with high hopes to the Government's statement later this week.

5.27 pm

Mr. Andrew Welsh (Angus): I agree with the hon. Member for Wantage (Mr. Jackson) that intellectual need and educational attainment should be the guiding factors, but the heavy price now imposed on individual families militates against that. Listening to the Minister for School Standards, a Labour Member, it was almost as though I was listening to a Conservative Minister and the general election had never happened: it is the same voice, the same philosophy and exactly the same policy. I wonder whether the Minister for School Standards inherited his speech from his Tory predecessor and whether he has read the opinion poll in *Scotland on Sunday*, which showed that 75 per cent. of Scots want educational provision to be provided free, through taxpayers' money, and that they want it to be available to all, as of need and as of right. His policy is overwhelmingly opposed in Scotland because it jars against our national educational tradition.

The Bill is all about the technical means of achieving a policy to which my party is totally opposed. We prefer to remain faithful to the Scottish education tradition and to make the right to educational provision available to all, irrespective of background, ability to pay or other such reasons. The guiding factors should be intellect and the will of our society, rather than the short-termism of any one Government.

I intend to speak briefly in the debate because my party's position on the principle of the Bill is clear. We are opposed to the privatisation of student debt. It is clear that the devil in these proposals will be in the detail, as it affects each student and each family coping with the debts that are imposed by the loans.

A few simple principles underline my attitude to the legislation. First, if I had entered government on the cry, "Education, education, education", my first act would not have been to "Privatise, privatise, privatise". The student loans system is anathema to the SNP and we would seek to abolish it rather than hand it over to the private sector. It fails to meet the needs of the student population and it has created an overhang of debt for thousands of young people as they make the already precarious transition from study to the workplace.

The greatest irony is that the very people who now champion this privatised loan system benefited from universal student grants and were able to launch their careers with a clean financial slate, rather than a combination of debts, amounting for many to half their first income. I was one of my generation who benefited from access to university and I am ashamed to find that that generation may be cutting off swathes of the current generation from the ability to enjoy such educational achievement. By so doing we are treating that generation shamefully.

The system hits at the tradition of Scottish education. Since 1995 alone, average student debt has leapt by a dramatic and unacceptable 40 per cent. to about £2,500, and the current average debt of those who are leaving university is almost £4,000. The Bill may help to reduce Government debt, but it will do nothing to tackle the mounting crisis of student poverty and debt. It is the people and the parents who will pay for this policy.

As we debate this measure, we are told that the Government are looking favourably on proposals to charge every student a £1,000-plus annual tuition fee. We shall not know about that until later this week, but leaks lead us to believe that that is in prospect. That is unacceptable. What twisted priorities and short-term proposals are these? I thought that Labour had been elected to stop that sort of Toryism, but instead the Government are implementing it. Apparently, a Scottish Assembly will soon be in charge of education. Perhaps it should be responsible for such decisions and should not be presented with a fait accompli. Has the Minister consulted his Scottish Office colleague with responsibility for education? If he has, what was the response?

The Bill and similar measures hit at the heart of the traditional Scottish four-year honours degree; by pursuing such students, the Government are throwing away a valuable asset. Perhaps in considering England and Wales, the Government have not thought about what they are doing in Scotland. I ask them to think again. The reality that the Government must recognise is that education is an investment in all our futures. They must realise that penalising students through loans and a fees system that are barriers to entering higher education is unacceptable in a country that needs to mobilise its most talented young people and not burden them unnecessarily.

Mr. Robert Jackson: The hon. Gentleman says that the loans system is a barrier to entering higher education. That argument was put when, a few years ago, I was taking through the House the Bill that became the Education (Student Loans) Act 1990. Has he noticed that there has been a huge expansion in higher education since the student loans system was introduced? Since that time, higher education has expanded faster than in any other period.

Mr. Welsh: That shows the demand. There has been vast expansion at a time of contracting resources, and that is at the heart of the problem that the measure will not address. Instead of properly resourcing higher education, the Government are turning their guns on the students. The measure will be a deterrent: it will dissuade youngsters from undertaking higher education. As I have said, my generation benefited from the grants system. I was not lumbered with massive loans of the sort that we are inflicting on present and future generations of students. It is an unnecessary burden, and I repeat that it hits the traditional Scottish outlook on education, which is that it should be available to all irrespective of background. The intellect and not the purse should decide,

but the Government have decided that it will be the purse. The Government's mechanism will affect students and their families.

Mr. Jackson: The hon. Gentleman was probably at university at about the same time I was. About 5 per cent. of 18-year-olds went to university at that time and had the huge privilege of the grants system. There is now 30 per cent. participation, which is one of the highest percentages in the world, and that is against the background of student loans.

Mr. Welsh: I was an adult entrant to university and I could not have gone there without a Government grant. If there had been a loans scheme, I could have been deterred; but if I had gone ahead, a large burden would have been placed on me. I refer the hon. Gentleman and the Government to the effects within universities. Yes, there are more students, but there are restricted resources and, as a result, there is a massive increase in drop-outs and in student debt. Students and their families are paying the price for the policy.

Measures that pull the rug from under the feet of students who have signed agreements with the Student Loans Company are unacceptable. Their agreements must not be meddled with against their interests, and my party hopes that the Government will table amendments to guarantee such protection. We must not allow future generations of students to be offered an even more disadvantageous loan arrangement than the current one. The present measure is only the start—the door being kicked open. The system will advance and loans will gradually rise.

By introducing the profit motive into the provision of loans, there is a real risk that student need will be exploited and adequate protections will not be in place. My party opposes the measure, and I call on the Government to reconsider the whole sorry package of higher education measures which they seem set on forcing through against the interests and needs of our students. I urge the Government to raise their sights and to enter the new millennium guaranteeing free and equal access to higher education, rather than glorifying in an empty status symbol, a mere funfair dome on the Thames. The next generation of Scots will judge the Government by their priorities.

Many of the people who voted Labour in Scotland hoped that there would be a change, but the same speeches and policies are being carried through. There will be much disappointment. I again refer the Government to the traditional Scottish view. We must allow all our youngsters, irrespective of background and the wealth of their parents, the right to take themselves forward in education as far as their talents and abilities will carry them. That is the strength of our society. The Scottish education system is fundamentally strong, and we must build on its traditional views and values. The Bill and the proposals, which I hope will not appear on Wednesday but which leaks tell us are on the way, are an attack on the heart of Scottish education, which should be leading us into the 21st century. The Government will pay a heavy price for such an attack.

5.37 pm

Mrs. Browning: The speeches, and especially that by my hon. Friend the Member for Wantage (Mr. Jackson), have shown that the issues of higher education, students and student loans concern and interest the House. The Bill is essentially technical. Before the week is out, we shall be able to consider the Dearing report and, as the Minister promised, later in the year there will be an opportunity to discuss and legislate in more detail on the terms of student loans and on issues such as the access fund. We support the Bill.

5.38 pm

The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells): We have had a short but very interesting debate in which we have heard some interesting speeches. I should like to highlight especially the speech made by the hon. Member for Angus (Mr. Welsh), who raised some points about which I, too, am very concerned. When I was pursuing my career in higher education, back in 1965—like the hon. Member for Angus, who is two years older than I am—*[Interruption.]* Yes, he has a good head of hair.

The grim fact is that the proportion of young people from working-class backgrounds in higher education is as low now as it was when we were in higher education. We must realise that we will have to get schools right if we are to widen access to university and other higher education institutions. It is not good enough to say that people have been denied access to higher education because of a particular maintenance funding system. Such systems are enormously important, but, fundamentally, we must ask where the majority of university students come from. The truth is that they come predominantly from the leafy suburbs.

Mr. Welsh: When the Minister mentions unavailability of access to higher education for working-class people, is he really including Scotland? For the people who surrounded me growing up—many of whom went on to do degrees in Scotland—the higher education system was open to all. Such availability is what I want to preserve and enhance. Is the Minister sure that his comments are true of Scotland? They are perhaps true of England and of Wales, and that is sad. I should like England and Wales to adopt, not destroy, the Scottish attitude.

Dr. Howells: All I can say to the hon. Gentleman is that I should like to see the statistical breakdown of postal addresses of those in higher education. The Higher Education Funding Council conducted such an exercise in Wales and in England and the results were very interesting, showing pretty dismal patterns of access to higher education for people from lower social and economic groups.

Mr. Robert Jackson: I, too, share the concerns expressed by the Minister and by the hon. Member for Angus (Mr. Welsh). Does the Minister accept that the proportion of working-class children entering higher education has risen only in the past five or six years, under the regime of student loans? Why has that increase occurred? It has occurred because universities expanded enormously. The main determinant of access to university for working-class people is the size of the university system. In the old system—with its low participation levels and very expensive grant scheme—unit costs were so high that the system was kept small, militating against

[Mr. Robert Jackson]

access. Now, however, by spreading the burden through loans, we are able to have a larger system, thereby promoting access.

Dr. Howells: That is a fair analysis of what has happened over the past 10 years, and it is important that the hon. Gentleman has reiterated it in the House.

Mr. Barry Sheerman (Huddersfield): Will my hon. Friend allow me to intervene before the hon. Member for Wantage (Mr. Jackson) gets away with his comments completely?

Dr. Howells: Yes.

Mr. Sheerman: I agree with much of what the hon. Member for Wantage said, such as the importance of widening availability to higher education. The cultural element, however, is also important. I am not aware of any system that successfully enough breaks into working-class culture to open the minds of young working-class people, so that they regard education as a part of their lives and culture. Action dealing with the cultural element must accompany widening the scope of availability. I agree with half of what the hon. Member for Wantage said, but we must go further. Forty years ago, Brian Jackson wrote "Education and the Working Class", based on a study in Huddersfield. He understood the problem; we have still not found a solution.

Dr. Howells: My hon. Friend is correct: we do not have a solution. Because we did not have a solution, the previous Government—with the support of all Opposition parties—commissioned an inquiry into the future of higher education, and it will be as important as the Robbins report was 30 years ago. I hope that the report will be vigorously and robustly debated and examined.

Anyone who argues that the current situation is perfect is a fool, because it is not perfect. If we are to create a learning society—no hon. Member or member of the public who thinks about the matter would argue that that is not necessary—we must determine how to make higher education attractive and how to make communities understand the great part that education can play in generating wealth in those communities.

Mr. Robert Jackson: Notwithstanding the comments of the hon. Member for Huddersfield (Mr. Sheerman), we can address those goals against a very optimistic background. There are some striking figures. There has been a huge increase in the staying-on rate in schools after the end of compulsory education at 16, and, in the past 10 years, there has been a huge increase in the uptake of higher education. The penny is dropping, and we are reaching a situation in which people accept a learning society. The key to the future is to provide a large, open, flexible and diverse higher education system.

Dr. Howells: I agree.

Mr. Welsh: I make a plea to the Minister to examine the situation in Scotland, because the Government's proposals will restrict access to higher education and deter students. The Minister has described a system that has perhaps already deterred folk in England and Wales. He said also that diverse student backgrounds are necessary. Perhaps he has heard of Rab C. Nesbitt. I come from Govan and attended Govan high school. Many of the people with whom I attended high school went on, like me, to attend Glasgow university, reflecting the traditional Scottish outlook on education.

It should not matter from which part of the country someone comes. There should be a national system that is available to all, and education from the elementary to the university level should be available to all according to ability. That is our system in Scotland, and the Government's policy is working against it. I should be happy for the Government's proposals to apply to England, but let us, please, not ruin what we have in Scotland.

Dr. Howells: The hon. Gentleman clearly has his opinion on the great virtues of the Scottish education system, and, as someone from Wales, I certainly will not decry it. The virtues that he is extolling surprise me, however, because many of my Scottish friends would not agree with his analysis. They have told me that the situation in Scotland—the percentage of young people from working-class backgrounds in the university population—is as dismal as it is in England and in Wales.

Ms Roseanna Cunningham (Perth): Will the Minister give way?

Dr. Howells: No, the hon. Lady was not in the Chamber for the debate, and I will not give way now. I want to press on.

I suggest to the hon. Member for Harrogate and Knaresborough (Mr. Willis) that, in future, he should not let the hon. Member for Bath (Mr. Foster) write his speeches for him. Having been a member of the Public Accounts Committee for more than two years, I know the value of the contribution that the Comptroller and Auditor General's office can make in getting legislation right. We hope that the House has learned from the National Audit Office's examination of past privatisations, and I assure the hon. Member for Harrogate and Knaresborough that the NAO will examine this one, too. I give him that undertaking. The NAO examines all privatisations, and it will examine the privatisation of student loans carefully.

The hon. Member for Wantage (Mr. Jackson) says that it has been 10 years to the month since he tried to initiate a debate on top-up fees. He provided a fascinating history, and I understand his desire to put straight the record on his part in the matter. I should remind him and all other hon. Members, however, that today's debate is not about top-up fees or about any type of fees; we are debating a technical matter which, as the Bill states, is about selling the debt of the student loan book.

Mr. Robert Jackson: Does the Minister accept that the proposal will take student loans out of the public sector borrowing requirement, thereby providing a crucial link to the debate about fees?

Dr. Howells: The measure certainly has elements of that in it, but there is no hidden agenda.

The Bill is straightforward and technical. Its sole purpose is to enable us, this year and next, to complete sales of student loans. We are completing those sales because they are critical to meeting, this year and next, our manifesto commitment to living within existing spending plans. Some Opposition Members questioned our objective. I repeat: we shall meet our manifesto commitment. In doing so, we shall be able to give priority to our education programmes, which have been enthusiastically received.

Some hon. Members have raised concerns about the position of borrowers whose loans are sold. Let me stress that we are selling the loans by way of competition. The bidders are all large and reputable organisations, and there is no question of the loans being sold to some ruthless or fly-by-night organisation. That is complete fantasy, which does no service to students and borrowers. We shall retain control over whom the loans are sold to now and in the future.

There are other safeguards for students. The sale agreement with the purchasers, a model of which will be placed in the Library in due course, will stipulate minimum collection standards to be followed. The loan agreements will protect students. In particular, key terms such as time and manner of repayment and deferment will be retained and frozen. Borrowers will have the protection of consumer credit legislation. In addition, there will be an independent assessor to investigate complaints. Overall, borrowers' legal rights will be entirely unaffected by the sale.

The Minister for School Standards and I have explained why we are going ahead with the loan sales this year and next. We have also accepted that meeting the overriding objectives we have identified will result in the payment of subsidies to the purchasers. Existing loans are subsidised. There is no real interest rate; there is deferment. The loan book that we are selling has to be subsidised. That is the price of having loans that are generous to the borrowers. We cannot predict the level of subsidies in advance, because we are running a strong competition. Twenty substantial bidders are already competing against each other. We shall, in due course, choose the most competitive bid from the vigorous competition.

As I have said, we are now committed to the same plans and same sales for two years, but this is not our only objective. We are also committed to the establishment of public-private partnerships which, like this sale, will transfer risk to the private sector. The sale may also enable financial institutions to get a clearer understanding of student loans and encourage them to play a more direct role in the provision of student support in the future.

The Bill is not about the Dearing report. Its reference to Dearing is limited, as my hon. Friend made clear. The Bill is about meeting a key manifesto commitment that we would work within the spending plans already announced for two years. Those plans, which we inherited from the previous Government, include substantial sales of student loans this year and next. The plans are tight, and we must proceed with the debt sales if we are to meet them and give to education the priority that we want.

Our timetable is pressing. The sale competition is inevitably complex and time consuming. It will take at least another six months. Hon. Members should understand that we cannot resume the competition before Second Reading. Second Reading is needed before the recess, which is why we are here today and why I commend the Bill to the House.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 267, Noes 3.

Division No. 63] **[5.52 pm**

AYES

Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Donald *(Swansea E)*
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Beard, Nigel
Beggs, Roy *(E Antrim)*
Bennett, Andrew F
Benton, Joe
Berry, Roger
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Burden, Richard
Burgon, Colin
Byers, Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony *(Putney)*
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Cunningham, Rt Hon Dr John *(Copeland)*
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H)*
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Nigel *(Edinburgh S)*
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jackson, Robert *(Wantage)*

Jenkins, Brian *(Tamworth)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Liddell, Mrs Helen
Linton, Martin
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McLeish, Henry
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Maxton, John
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheffd Heeley)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Jim *(Eastwood)*
Norris, Dan
Oiner, Bill
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie *(Scarborough)*
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Co'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Roy, Frank
Ruane, Chris
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smyth, Rev Martin *(Belfast S)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul
Stott, Roger
Strang, Rt Hon Dr Gavin
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Mrs Betty *(Conwy)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. John McFall and
Mr. Clive Betts.

NOES

Cunningham, Ms Roseanna *(Perth)*
Davis, Cynog
Wigley, Dafydd

Tellers for the Noes:
Mr. Andrew Welsh and
Mrs. Margaret Ewing.

Question accordingly agreed to.

Bill read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

EDUCATION (STUDENT LOANS) BILL
[*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That for the purposes of any Act resulting from the Education (Student Loans) Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act—

(a) in the sums required by the Secretary of State for making payments under the Education (Student Loans) Act 1990;

(b) in the expenses of the Secretary of State under that Act.—*[Ms Bridget Prentice.]*

Question agreed to.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the motions relating to delegated legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Housing

That the draft Allocation of Housing (Reasonable and Additional Preference) Regulations 1997, which were laid before this House on 26th June, be approved.

Northern Ireland

That the draft Commissioner for Complaints (Amendment) (Northern Ireland) Order 1997, which was laid before this House on 7th July, be approved.—*[Ms Bridget Prentice.]*

Question agreed to.

HEALTH

Ordered,

That Mr. Peter Brooke be discharged from the Health Committee and that Mr. Robert Walter be added to the Committee.—*[Mr. Betts, on behalf of the Committee of Selection.]*

Higher Education Institutions

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Bridget Prentice.]*

6.4 pm

Dr. Alan Whitehead (Southampton, Test): I am grateful for the opportunity to speak about an issue that is pertinent to the debate that we have just had and to the imminent publication of the Dearing report. We do not yet know the contents of that report, although they have been widely speculated on. All the discussion in newspapers is currently about the Government's likely stance on charging for tuition fees.

The spotlight is rightly on finances, because the sector has delivered on a huge expansion in student numbers in the past decade with very little new funding. The unsung stars of that expansion are the university lecturers, who have performed feats of increased productivity that would have been hailed as a miracle if they had occurred on a manufacturing production line.

It is right to spend a little while reflecting on the management of the change, the supervision of the finances that have supported it and the extent to which we have emerged from the decade of explosive growth in student numbers with the principles of free inquiry in an academic community, which underpin the idea of a university, intact. Have we delivered on the governance of institutions of higher education as well as university lecturers have apparently delivered on the increase in student numbers over the past decade?

I am not sure exactly what Dearing will come up with. I am glad that we shall have an extensive debate on the report. My understanding is that there will not be substantial mention of governance in it. That is a shame, because, after the events in some institutions over the past few years, many people in higher education have expressed justified concern about how well some of our institutions are governed. My contention is that, in some areas, we have fallen woefully short of what we should reasonably expect. Unfortunately, there appears to be no solution in sight.

The danger of doing nothing is that, as we enter the next decade of tight financial settlements and continued pressure to achieve more results with less cash, the pressure on vice-chancellors and directors of higher education institutions to cut corners and take liberties with the proper procedures for good governance will become enormous. As we have seen from the small, but important, number of cases in higher education, several of which have been investigated by the Public Accounts Committee, the potential for that already exists and has been demonstrated as a significant problem.

We need to be clear about the consequences of doing nothing. British higher education has an international reputation and attracts thousands of overseas students because of the quality of its courses and the facilities for study that are available. Visiting students provide a massive foreign exchange earning for the United Kingdom. The international research reputation of UK universities and the value placed on UK degrees is high throughout the world. For that reason, many institutions have begun to offer degree courses validated by United Kingdom institutions but taught overseas. If UK higher education is seen to suffer as a result of a crisis of governance, that confidence will be damaged irrevocably, with profound consequences for the whole of the sector and for the British economy.

Lord Nolan, in the second report last year by his Committee on Standards in Public Life, reported on, among other things, the standard of ethics in the governance of higher education. By and large, he gave the sector a clean bill of health. The 13 recommendations he advanced were universally regarded as being relatively minor, yet the problems persist and they can be identified quite specifically in origin and in structural cause.

The major disputes that have hit the headlines in recent years in higher education in Huddersfield, Portsmouth, Bournemouth, Swansea and my own city of Southampton have all occurred in the new university sector which was established after the Education Reform Act 1988 and have all involved former polytechnics and colleges of higher education previously under the control of local authorities.

We can say with some certainty that Nolan aggregated his evidence and failed to distinguish between the old university sector, with its system of charters individually approved by Parliament, and the new sector which came into existence as incorporated higher education institutions with a significantly different system of internal governance and regulation. It is true to say that the existence of the charters, with their entrenched right to representation of a variety of constituencies within the university and with their interlocking groups of decision makers in the senate, the council and the court—although they often reach decisions by a rather cumbersome process—means that, in general, the universities are well governed and largely free from the sort of complaint that has plagued the new sector.

If we look at the incidence of problems in the new university sector in isolation, we can see that, since 1989, more than 10 per cent. of institutions have been the subject of major problems—a very high casualty rate in fewer than 10 years of operation. Why is this so? We should first look at the nature of the disputes.

Overwhelmingly, the disputes relate to a breakdown of confidence between students, staff, governors and management of the institutions. Overwhelmingly, they are disputes where the actions of either the governors or the director or vice-chancellor—or both—seem to ride roughshod over legitimate grievances and protests, and where the protests are ignored or suppressed, sometimes by authoritarian means. All those disputes seem to take an interminable time to resolve, although the issues seem relatively plain to the outside world.

In the case of Huddersfield, trouble erupted when the governors attempted to remove all staff and student representation from the governing body. Portsmouth, Bournemouth and the Southampton institute all reflect in different ways the ability of a strong director or vice-chancellor to rule effectively by fear with the complicity of at least some of the board of governors, and with the inevitable reaction of staff and students against such tactics.

The resolution of the conflicts in those three places did not really reflect the essence of the conflict. In Bournemouth and Portsmouth, directors left as a result of investigations into issues not really related to the central problems. At the Southampton institute, the director has recently taken early retirement. The dispute in Swansea related to the apparent lack of control over an

BEST COPY AVAILABLE

[Dr. Alan Whitehead]

entrepreneurial director who effectively launched a variety of poorly regulated businesses across the world selling the institute's degrees.

Both the issues at contention and the problems relating to their resolution seem to boil down to a central feature of the universities—the assumption of governance behind their incorporation. That can be seen clearly in their governing bodies. Lord Nolan described those governing bodies as follows:

"In England and Wales their governing structure is determined by statute (Schedule 7A of the Education Reform Act, 1988, as inserted by Schedule 6 of the Further and Higher Education Act, 1992) and so is much less variable than that in the old universities. New universities are governed by a board of between 12 and 24 members (and the principal unless the principal declines to be a member). Up to 13 members (described as 'independent') are drawn from those who have experience in industry, employment, commerce, or a profession. They must constitute a majority. Up to two governors may be teachers and up to two students; between one and nine may be co-opted members, and at least one of these must have experience in the provision of education. There are also colleges of higher education which are not universities but which are funded by the higher education funding councils. Their structures of governance are similar to those of new universities. It may be noted that elected members of a local authority are not eligible for service on the governing bodies of new universities unless co-opted as individuals."

We can say, then, that the impression one can receive of these boards is that they are business-oriented governing bodies which are designed to oversee what is seen as the business of the higher education corporations. Indeed, asked why a version of the model of governance applying to the old universities had not been applied to the post-1988 new universities, Sir Peter Swinnerton-Dyer, the former chief executive of the now defunct Universities Funding Council, is reported to have replied:

"Kenneth Baker is among those ministers who distrusted experts and who believed that anything run by business . . . would be wisely and efficiently run".

This model of business-based governance goes along with the presumed goal of the new sector, and of higher education generally in the age of restricted finance and almost unrestricted expansion, which is that the good business gets the funds for research and gets the student numbers simply by being a better business than the others.

Business methods prevail, with many boards running secretively, with the target goal for the institution being set as getting in more students and more funding. Provided that those two figures look good at the bottom of the annual report, little else seems to be of concern, at least to some governors of the new institutions.

Business men on such boards tend to appoint and support those who seem to be like themselves. The lack of checks and balances in the post-1988 system by and large allows governors to appoint each other. In some instances, it allows a powerful director or vice-chancellor effectively to hand pick many of the governors so that a seamless power nexus is soon established at the top of the institution.

In the case of the Southampton institute, with which I am very familiar, that extended to an armlock on information going to the governors and from the governors to the staff, to the discouragement of either governors or staff from seeking or supplying independent information, to the intimidation of dissent and to the establishment effectively of an inner power group of the director and a few governors which bypassed the constitutional processes of the institute.

Indeed, so far did the procedures become bypassed that a management-based, so-called programme planning committee effectively eclipsed the academic board on all matters of course development, on the ground that the development of courses was about student numbers and, therefore, essentially financial and that it involved management decisions with only ancillary academic content.

As the cases I have highlighted show, when things go wrong it is extremely difficult to penetrate the nexus that may have developed and put things right. The distinguishing feature of all the cases lies among other things in just how long the institution remained evidently dysfunctional before the matter came to a head, either internally or, at least partially, with the help of outside agencies of regulation such as the Higher Education Funding Council or the Higher Education Quality Council. It is significant that those bodies are seen in the sector as more regulators than anything else.

Although the charters in the new university sector do not exist in the same way as they do in the old universities, the bodies set up to ensure that they work properly are simply there to ensure that no one has his hand in the till and that academic courses are functioning correctly. They have little power to intervene on matters of governance and, by and large, they do not. Where they do intervene, they do so discreetly, round the back door, and slowly, so that those who are well entrenched in management positions in institutions that are not going well have a long time to fight their corner before justice is done.

The fact that the academic standards of such institutions during a crisis generally remain high and have done so to a remarkable degree at Southampton institute is a tribute to the resilience of academic staff in the face of such problems. That far more cases have not arisen, over and above those that I have outlined, is a tribute to the good sense and fairness of academic managers in most establishments.

We are stuck with a flawed system of governance in the new universities—a sort of quangoversity regime, where disaster is often averted by good fortune and common sense, rather than by anything in the system itself.

I conclude, therefore, that the system overall is a monument to the "markets good, participation bad" assumption of that period of public policy madness between 1987 and 1989. It is, in essence, all of a piece with the monsters that we have created in parts of the NHS, in local government quangos, where power has been taken away from directly elected local representatives and put in the hands of appointees, and in our feeble regulation of the privatised utilities.

A new Government who do not share those values should act to ensure that good governance—a balance of representation, and a sharing of views and decision making reflecting a balance of interests within the academic community—is restored.

We are not short of suggestions about what might be done. I have recently been in correspondence with the Association of University Teachers, which advocates, among other things, the restoration of the university visitor system, which is largely falling into disuse in the

higher education sector. Although that may not be a perfect solution, it means that there is an independent voice—someone who has the right to go in and investigate, take up grievances and speak independently on behalf of those who otherwise might have no voice.

David Triesman, the general secretary of the Association of University Teachers, wrote to me that he had suggested to Lord Nolan

"that all HE institutions should have a charter as do the pre-1992 universities. The text of charters can be modernised but they provide a clear expression of the mode of decision-taking including who is entitled to be involved; they provide guaranteed checks and balances; they reserve academic decisions for the academic community—members of that community include students (of course) and other staff; they express accountabilities; they set out responsibilities as well as rights."

The Council for Academic Freedom and Academic Standards wrote to me recently, stating that it has an extensive reform programme

"which includes independent scrutiny of institutions; broadening of governor membership; advertising of vacancies; maybe elections; model disciplinary and grievance procedures; all minutes on webpages; stronger Senates."

My personal view encompasses the idea that new universities should have a much larger base of governor election and appointment—a base too large for a few people to control, and made up of all sections of the local community, including the students, the staff, the business community, the education community, local authorities and voluntary organisations. Such a range of people will have a stake in the success of that higher education institution.

That body, comprising perhaps 60 or 70 people, should be charged with the oversight of electing a smaller group of people who presently sit as governors of new universities, so that people cannot hand pick those with whom they will work, and those who sit in judgment on the dealings of the professional managers and their relationship to the academics of the institution have to contend with people who have an independent view, an independent constituency and have been elected or appointed by independent means.

I shall read the definition of "university" in the "Shorter Oxford Dictionary". It states:

"The whole body of teachers and students pursuing at a particular place the higher branches of learning; such persons associated together as a society or a corporate body, having the power of conferring degrees and other privileges, and forming an institution for the promotion of education in the higher branches of learning."

That definition is good enough for me. It emphasises the involvement of

"the whole body of teachers and students".

It is not the property or prerogative of a few people, through which to pursue their ambitions. It must be well managed, but it must be "a corporate body", with all the reciprocal rights and responsibilities that that entails. We are far from that common-sense view, following the marketisation of higher education in the 1980s and 1990s. We must urgently address the issue in the remaining years of this millennium, if we are to carry forward recognisable traditions of academic excellence and inquiry into the next century.

6.25 pm

The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells): I thank my hon. Friend the Member for Southampton, Test (Dr. Whitehead) for selecting this important matter as the subject for his first Adjournment debate. I welcome the opportunity to discuss the governance of higher education institutions.

My hon. Friend described well some of the problems that can affect higher education institutions. He gave examples of mismanagement, institutions divided by poor staff-management relations, ill-considered financial ventures and issues of accountability.

Of course, I was aware of my hon. Friend's close personal interest in the subject, having read his article in *The Times Higher Education Supplement* at the beginning of July. In that article, he made a number of pertinent comments about accountability based on his own experience and knowledge.

Before I respond to some of the specific points made by my hon. Friend, it may be helpful if I set out the current position and the new Government's view of those arrangements, and suggest how some of those issues may be developed over the coming months.

The House is well aware of the Government's commitment to ensuring openness and accountability in public life. With considerable sums of taxpayers' money invested in higher education, we need to ensure the highest standards of conduct in those who run higher education institutions, be they universities or colleges.

The effectiveness of any organisation depends on the effectiveness of its management and governance arrangements. My hon. Friend made that clear, and it is imperative that those arrangements are sound and are seen to be working.

The second report of the Committee on Standards in Public Life—the Nolan committee—which was published in May 1995 looked closely at various types of public spending institutions. It devoted considerable attention to higher and further education. The committee found that

"the firm view of our witnesses and those who wrote to us was that the standards of conduct in higher and further education were generally very good".

I know from my hon. Friend's article and speech that he has some doubts about the committee's findings, which he described as an aggregate of the evidence that was presented, but I am sure that he will not want to dissent from the view of the committee—which I share—that standards of conduct are very good.

However, my hon. Friend highlighted a few recent instances in higher education institutions where serious problems have arisen. Those have been investigated by the National Audit Office whose reports have made a number of useful recommendations which my Department and the Higher Education Funding Councils have noted.

It may help the House if I set out the background to what Ministers can and cannot do with respect to higher education institutions and the type of problems that my hon. Friend has outlined.

Higher education institutions are autonomous, self-governing, private corporate bodies. They are not controlled by the Government and they are not subject to ministerial direction. That position is clearly established in law by the Education Reform Act 1988 and the Further and Higher Education Act 1992. So Ministers cannot intervene in their internal affairs. That proscription extends to issues of governance as well as to course content, research programmes and the criteria for the

[Dr. Kim Howells]

selection and appointment of academic staff and for admissions policy. That position arose from a real concern in the House that academic freedom and autonomy should be preserved and safeguarded.

The non-centralised system means that there is no common system of governance in higher education institutions, which reflects the diversity of the sector and the origins of individual universities. I should perhaps explain that governance terminology differs in different parts of the UK, so for convenience I shall use English terminology, despite being a Welshman.

The council or board of governors of the institution is the executive governing body and has ultimate responsibility for all the affairs and activities of the institution. Its task is to set the strategic direction of the institution and to ensure that it achieves its primary objectives in teaching, scholarship and research.

There are broadly two types of institution in the higher education sector—old universities, which are those established before 1992 and whose constitution and powers are set out in charters or statutes, and post-1992 universities, colleges and institutes, whose governing bodies' powers and constitutions are set out in various Education Acts together with institutions' own instruments and articles of government. It is the latter type of institution that my hon. Friend is most concerned with and where he sees a general failure of their governance arrangements. I can understand his concern to promote the cause of good governance in all higher education institutions, but I cannot accept his contention that all governing bodies are necessarily flawed or bad.

Governing bodies are entrusted with public funds and, therefore, have a particular duty to observe the highest standards of corporate governance. In carrying out that duty, governors need to ensure that, at all times, they have due regard for the proper conduct of public business. The guiding principles are integrity and objectivity; openness and transparency; and accountability for the activities of the institution and for the stewardship of public funds. I am sure that my hon. Friend will accept that those principles are widely followed in the sector.

The accountability framework ensures that there are a number of checks in the system to ensure that the taxpayers' money voted by the House for use by the sector is properly accounted for. Universities and colleges are accountable in a number of ways. The funding bodies, such as the Higher Education Funding Councils for England and Wales, require, as a condition of grant, that all institutions put in place sound financial management and control systems.

The funding councils' audit service has a right of inspection in all universities and higher education colleges to check on their stewardship of public funds. It also reviews governance arrangements to ensure that the financial control systems in place are properly used and work. If necessary, the funding councils have the power to suspend payment of grant, in whole or in part, to safeguard public funds. The National Audit Office is also able to go into institutions to carry out inspections. As the House well knows, that can result in the Public Accounts Committee holding hearings if necessary.

Another important strand is the work of the newly established Quality Assurance Agency. The agency will take over work previously carried out by the Higher Education Funding Councils' quality assessment divisions and by the Higher Education Quality Council. The QAA will look at institutions' internal mechanisms and structures for assuring their academic quality and standards. It will, as now, continue to produce public information on their quality audits and subject assessments at institutions.

My hon. Friend made it clear that governance is not just about financial management and accountability for public funds, but I hope that he will realise that, under current arrangements, Ministers are unable to intervene directly. We are, however, conscious of the need to ensure that current arrangements are reviewed to see whether they are the best that can be achieved. We have much to learn on that subject and my hon. Friend's contribution is much appreciated.

It is clear that, despite ongoing problems, governance in higher education is generally good, although a few unfortunate instances have pointed up weaknesses in internal arrangements at particular institutions. Those who run institutions must learn from those lessons and avoid anything similar happening in future.

I can reassure my hon. Friend that the Government see the need for revised guidance to be issued to the sector, building on lessons learned and good practice. My officials have been helping the Committee of University Chairmen in developing a revised version of its guide for members, and the Higher Education Funding Council is in the process of drawing up a revised code of audit practice. We will monitor compliance with those guides.

I also await with interest the Dearing inquiry recommendations on governance issues. The Government will, of course, want to consider what the committee recommends very carefully. Where the case for action is made, we will take it. I assure the House that my right hon. Friend the Secretary of State for Education and Employment and I intend to take these issues forward vigorously. Suggestions from my hon. Friend will be welcome. I am grateful to him for raising the issue and I wish only that the House had been fuller to hear his important contribution.

Question put and agreed to.

Adjourned accordingly at twenty-four minutes to Seven o'clock.

House of Commons

Tuesday 22 July 1997

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

KING'S COLLEGE LONDON BILL *[Lords] (By Order)*

Order for Third Reading read.

To be read the Third time on Tuesday 29 July.

LEVER PARK BILL *(By Order)*

Order for Second Reading read.

To be read a Second time on Tuesday 29 July.

Oral Answers to Questions

HEALTH

General Practitioner Service

1. **Mrs. Ann Winterton:** To ask the Secretary of State for Health if he will make a statement on the effectiveness of the general practitioner service. [7942]

The Minister of State, Department of Health (Mr. Alan Milburn): We have one of the finest family doctor services in the world, largely thanks to the professionalism and commitment of our general practitioners and the members of their primary health care teams.

Where people do not have access to the range and high quality of services that they deserve, we shall work with primary care professionals to explore better means of delivering services. We shall also rid the NHS of the excessive bureaucratic demands and inequities of the internal market.

Mrs. Winterton: I recognise that there have been some minor difficulties with GP fundholding, but does the hon. Gentleman recognise that the system has put general practitioners on a par with consultants and enabled them better to reflect the clinical needs of their patients? What consultations have taken place already about the change of policy? Will the hon. Gentleman give us an assurance that he will consult family doctors further to ensure that the benefits of the system are not discarded—in other words, that we do not throw the baby out with the bath water?

Mr. Milburn: I have to tell the hon. Lady that there are more than minor problems with the GP fundholding system. Of course I recognise the importance of the need for GPs and other primary care professionals to play a leading role in the commissioning of health care, but the hon. Lady and her party must acknowledge the fact that GP fundholding has brought with it a two-tier system of health care, which runs against the grain of the principles of the national health service, as well as being bureaucratic and costly.

As for consultation, we are prepared to consult all primary care professional organisations. I am pleased to say that the British Medical Association, the Royal College of Nursing and other organisations have acknowledged and supported the announcement that the Government made last week.

Mrs. Anne Campbell: Does my hon. Friend agree that the general practitioner service is greatly enhanced by the services of health visitors, school nurses and the chiropodists who give treatment to the elderly? Does he acknowledge the distress caused in Cambridgeshire by the cuts imposed on those services by the Cambridge and Huntingdon health commission?

Mr. Milburn: I am aware of my hon. Friend's concerns, and those of other hon. Members, about the cuts in primary and community care services. Of course that is an issue that we shall have to monitor closely. One of the initiatives that we have already undertaken is the piloting of new arrangements for the delivery of personal medical services that will better integrate GPs and other primary care professionals in future, so as to ensure better delivery of those services.

Patient Care

2. **Mr. Gibb:** To ask the Secretary of State for Health what proportion of national health service staff are directly involved in patient care. [7943]

The Secretary of State for Health (Mr. Frank Dobson): Just under two thirds of national health service staff in England in 1996 were classified as direct care staff. That figure is based on the definition used by the previous Government, which included some staff who were not directly involved in patient care and excluded some staff who were.

Mr. Gibb: Will the Secretary of State confirm that the proportion of NHS staff directly involved in patient care increased from 60 per cent. in 1981 to nearly two thirds—the figure that he has just given me—under the Conservative Government? What will his target be for five years' time?

Mr. Dobson: As usual, the statistics produced by Tory central office do not compare like with like. There are now more administrative staff in the health service than ever. There was a 44 per cent. increase between 1986 and 1995, and between 1990 and 1996 the wage bill for administrative staff rose by £700 million. That may be one explanation of why the hon. Gentleman's local health authority entered this year—under the previous Government—£2.1 million in debt.

Mr. Burden: I agree with my right hon. Friend that one of the worst aspects of the previous Government's health reforms was the bureaucratisation of the health service; far too few staff were engaged in direct patient

care and it is a considerable tribute to them that they have none the less been able to cope and provide an excellent service. Will he comment on the fact that, despite those efforts, staff have all too often to work in outdated hospitals and unsatisfactory environments? That problem, in Birmingham and elsewhere, was not addressed by the previous Government. Will he ensure that the present Government address it?

Mr. Dobson: I give my hon. Friend the assurance that he seeks. Besides increasing the number of staff exclusively involved in paperwork, the previous Government's reforms massively increased the time that doctors, nurses and other professionals had to devote to paperwork to feed the general bureaucratic system.

Mr. Brake: Is the Secretary of State aware that nurses at the accident and emergency unit at St. Helier hospital in Carshalton, who are directly involved with patient care, are currently balloting for industrial action because of concerns about the quality of patient care at the hospital? Does he have any plans to take action to ensure that the threat of industrial action is averted?

Mr. Dobson: The situation arose under the existing management of the St. Helier hospital and must be sorted out by that management.

Dr. Tony Wright: Has my right hon. Friend seen a recent survey that shows that some doctors, at least, are not as involved with patient care as they should be? In that survey, published in the *British Medical Journal*, an astonishing number of junior doctors say that they performed their first operation unsupervised. Is not that extremely alarming for patients? Is not it a good job that patients do not know that? Will my right hon. Friend examine the matter?

Mr. Dobson: We must certainly ensure that clinical standards in hospitals are raised rather than lowered. There is no possible excuse for junior doctors conducting their first ever operation without proper supervision. It is necessary for junior doctors to perform operations, however, otherwise they will never become sufficiently skilled to work on their own, but they need to be supervised while they are doing it.

Mrs. Virginia Bottomley: Is the Secretary of State aware of any occasion on which the Prime Minister has spoken of health service managers with appreciation, or even respect? Can he imagine circumstances in which, at the taxpayer's expense, he would host a glitzy reception at No. 10 to celebrate their contribution to the public good?

Mr. Dobson: My right hon. Friend is certainly extremely unlikely to host a glitzy reception at No. 10 to celebrate the right hon. Lady's contribution to the national health service. At the National Association of Health Authorities and Trusts conference last year he paid tribute specifically to the excellent managers in the NHS. He certainly does not pay tribute to the enormous increase in paperwork that occurred at the Department of Health when the right hon. Lady was supposedly in charge.

Dental Services

3. **Mr. Gill:** To ask the Secretary of State for Health what measures he proposes to take to ensure that national health service dentistry is available in south Shropshire. [7944]

10. **Mrs. Ballard:** To ask the Secretary of State for Health what proposals he is assessing in order to improve access to national health service dentistry. [7952]

Mr. Milburn: The previous Administration's failures mean that there are problems with access to NHS dentistry in some parts of the country. I shall decide shortly on how best to use the resources available to us for improving the availability of NHS dentistry. In addition, on 1 July I announced the Government's intention to proceed with the piloting of personal dental services under the National Health Service (Primary Care) Act 1997. Those measures will help to ensure the provision of dental services that best suit local circumstances.

Mr. Gill: I do not think that my constituents in south Shropshire will be much impressed by the hon. Gentleman's attempt to shuffle off the responsibility to the previous Government, because the new Government are now responsible for national health service provision in all areas. If he wants to pick a quarrel, let me point out that my party provided 3,500 extra national health service dentists in the period 1979 to 1997. The point at issue is that it is unreasonable for my constituents in south Shropshire to have to journey to Telford or Shrewsbury for dental health treatment. Will the Minister give the House a categorical assurance that he will correct that situation?

Mr. Milburn: If the hon. Gentleman wants to trade facts of the matter, I am happy to do so. The fact of the matter is that under the Conservative Government the number of adults registered in the Shropshire area for NHS dental treatment fell by more than 1,000 per month over the past year. The Conservative Government were responsible for that, not us.

Mrs. Ballard: The Minister knows that many people, especially new patients, have problems with access to NHS dentistry. My constituents have been concerned about that for at least the past seven years, so I do not lay the blame at the Government's door. What targets will he set so that improvement in access to NHS dentistry can be measured? Will they relate to distance travelled or to the number of dentists per 10,000 population? Can we have specific measurements of performance that we can tell our constituents to expect within a certain timetable?

Mr. Milburn: We are considering two issues: how best to use the resources available to plug the gaps in provision to which the hon. Lady alludes, and how more effectively to use those resources the better to ensure the improvement of oral health. She recognises that there are major variations in oral health performance between areas. I and my hon. Friend the Minister for Public Health will be undertaking an important joint initiative to ensure that access to NHS dentistry is more widely available and that our resources better improve the oral health of the population.

Mr. Gordon Prentice: Does not it take enormous brass neck for the hon. Member for Ludlow (Mr. Gill),

11 weeks into a new Labour Government, to ask a question about NHS dentistry when, according to the Library, he has not asked a question on dentistry in the past two Parliaments, going back to 1987? NHS dentistry is a desert not only in south Shropshire but in places such as north-east Lancashire. Is not it time that more was put into dental services to ensure that our NHS dental service is capable of surviving after 18 years of Tory government?

Mr. Milburn: My hon. Friend is right to make that point about the hon. Member for Ludlow (Mr. Gill). An announcement will be made in due course about how we intend to target the resources that we have to improve availability and the oral health of the nation.

Compulsory Competitive Tendering

4. **Mr. Swayne:** To ask the Secretary of State for Health what estimate he has made of the financial impact of the abolition of compulsory competitive tendering in the national health service. [7945]

Mr. Milburn: There is no compulsory competitive tendering in the national health service. The Government are, however, examining market testing policy, in particular the current requirement to market-test catering, cleaning and laundry services. Whatever the outcome of the review, we are committed to best value in terms of both cost and quality of service for all NHS patients.

Mr. Swayne: I thank the hon. Gentleman for that excellent reply. Does he agree with the Secretary of State—[HON. MEMBERS: "Reading."] I shall quote if I may—who, in 1995, said that the benefits from compulsory competitive tendering had been made

"at the expense of blue collar workers"

and that that was why he was against it? Has he changed his mind? Does the Minister agree that competitive tendering provides an effective means of market testing? Will he confirm that it has saved the NHS £1 billion since 1993?

Mr. Milburn: Five marks for artistic impression, none for substance. The hon. Gentleman is obviously unaware not just of the concerns of NHS staff and managers about compulsory market testing but of the concerns of commercial contractors. He might know of the Business Services Association, which represents leading-edge cleaning and catering companies. Its director general said recently:

"Our most urgent task is to convince the public sector that we genuinely want a partnership based on mutually compatible objectives. The confrontational approach of CCT and market-testing must be transformed into a system of co-operation between public and private sectors."

We have been listening to the private sector. Obviously the hon. Gentleman has not. I conclude from that that the Conservative party has nothing of value to say on the NHS and does not even represent the interests of the private sector, which it claims to speak for.

Mrs. Dunwoody: Will my hon. Friend explain to the hon. Member for New Forest, West (Mr. Swayne) that no hospital service survives in a clean and secure state if it is run by low-paid, disaffected and unhappy people such as the low-paid workers who provide the profits for unscrupulous private contractors?

Mr. Milburn: My hon. Friend is absolutely right. Catering, cleaning and portering staff deliver part of the family of services provided under the umbrella of the NHS. They play an important role in hospitals and other settings in the NHS. The Government value and respect their contribution and we want value for money and quality of provision to go hand in glove in the future.

Mr. Maples: Is the Minister aware that an estimate produced by his Department at the end of the last Parliament suggested that the savings made for the NHS by competitive tendering were about £90 million a year? If that is added to the cost of the minimum wage that the Government propose to introduce and to the impact of inflation next year, how much of the additional £1 billion that his Department obtained in the Budget will be available for patient care?

Mr. Milburn: I have a fairly simple view about statistics produced under the previous Administration—they are wrong.

Tobacco

5. **Ms Stuart:** To ask the Secretary of State for Health what action the Government are taking to reduce tobacco consumption. [7946]

7. **Dr. Iddon:** To ask the Secretary of State for Health what action the Government are taking to reduce tobacco advertising. [7948]

The Minister for Public Health (Ms Tessa Jowell): The Government are fully committed to banning tobacco advertising as part of a comprehensive strategy to reduce the 120,000 deaths every year caused by smoking or smoking-related illnesses. We made clear our intention to do this in our manifesto. A summit of national and international experts was held on 14 July to examine options for reducing smoking and controlling tobacco consumption. It is essential that we get the right combination of measures rather than rely on any single measure. The results of the summit will help inform Government policy and we will set out our strategy to reduce smoking prevalence and tobacco consumption, including our plans for legislation, in a White Paper to be published later in the year.

Ms Stuart: Is my hon. Friend aware of just how badly the previous Government's strategy to control smoking among 11 to 15-year-olds failed? I am particularly concerned about young girls. Ten years ago, one in five girls aged 15 smoked—now, one in three smoke. What are the Government doing to improve that appalling statistic and to protect children from the dangers of tobacco?

Ms Jowell: The first step is to realise that young people—young women in particular—are susceptible to the influence of direct tobacco advertising and indirect advertising through sport and other sponsorship. My hon. Friend is right. If we are not successful in reducing

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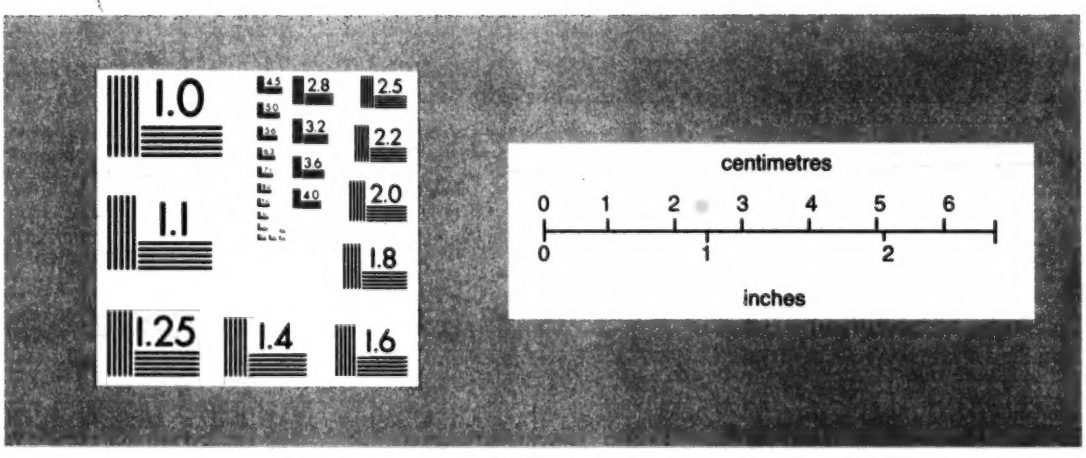

smoking among young women, they will become young mothers who smoke and whose children will be affected.

Dr. Iddon: I am sure that my hon. Friend is aware that smoking kills 120,000 people every year. That is equivalent to six jumbo jets crashing every week with total loss of life. If that happened, there would be public outrage and calls for action. What package of measures is my hon. Friend therefore proposing to adopt to tackle one of the nation's most deadly killers?

Ms Jowell: I should make it clear that the purpose of the anti-smoking summit held on 14 July was precisely to get the best possible advice about the range of measures that should be included in the White Paper that will frame the legislation to ban tobacco advertising, which will be published later this year. There is no single measure that will enable us to make an impact on those wasted deaths. We realise that it is through a combination of measures that we will achieve that end; that is why we have sought the advice of experts from around the world to ensure that we have a policy that works.

Mr. Peter Bottomley: The hon. Lady is right to say that a combination of pressures is needed to stop 5,000 teenagers a week taking up smoking. Is it possible to learn some lessons from the continuing campaign to end drink-driving? Can she try to give more emphasis to the points that she used to make on radio, with some effect—if people around smokers disapprove, those smokers are far less likely to continue to smoke and if people smoke in front of those who are younger than them, the young are far more likely to copy them?

Ms Jowell: The Government will examine a range of evidence when drawing up their programme of anti-smoking measures. It is quite clear that children who are brought up in households where the parents smoke are more likely to smoke. That significant fact explains why it is also important that, through good health education in schools, we ensure that children are aware of the risks of smoking and seek to influence the behaviour of their parents.

Mr. Forth: Does the Minister propose to replace the current health warnings that appear in advertising and, if so, what is her estimate of the cost of that?

Ms Jowell: I repeat that last week's summit examined a range of measures. We will consider where we need to take further steps to alert the public to the risks of smoking. We will bring forward our proposals in the autumn.

Private Finance Initiative

6. **Mr. Goggins:** To ask the Secretary of State for Health what action he proposes to take to speed up the national health service private finance initiative. [7947]

Mr. Dobson: We have already speeded up the NHS private finance initiative. We have given the go-ahead for 14 major hospital projects and passed the first Act of this new Parliament to clear up the law on the operation of the PFI in the NHS.

Mr. Goggins: Does my right hon. Friend agree that the best way to speed up implementation of the PFI in the NHS is to ensure that the 14 projects—I am happy to say that one is in my constituency—deliver what they promise? Can my right hon. Friend tell the House what steps he intends to take to monitor the progress of those initiatives and to ensure that the schemes deliver on price and on time?

Mr. Dobson: I confirm that we will keep a close eye on the 14 projects to ensure that they get on with the job and stick to the agreed price and time scale. I am extremely glad that the go-ahead has been given for the south Manchester hospital at Wythenshawe in my hon. Friend's constituency.

Mr. Paice: I am sure that the Secretary of State agrees that private finance has existed in the NHS through general practitioner services because, over the years, they have invested in their premises to develop a modern and sophisticated service. Is he aware that in rural areas many of those GPs' private investments to enhance the services that they give their patients would be threatened if they lost the opportunity to dispense drugs to their patients because a pharmacy moved into the village? Many such places are at risk, including a major practice in my constituency which is under threat because a pharmacy has moved to the village. The practice could be made bankrupt as a result. Does the right hon. Gentleman agree that there is an urgent need for a review, and action, on the disparity of dispensing rules in rural areas?

Mr. Dobson: I am not sure that that issue relates to the private finance initiative, but I share the hon. Gentleman's concern. We have to ensure that the health service is designed to provide the services people need in each particular locality and that we do not try to force a particular model on every part of the country.

Mr. Richard Allan: While I accept that the fast-tracking process is a vast improvement on the PFI mess created by the previous Government, will the Secretary of State say how much public capital is to be made available to help to pick up badly needed projects, such as the proposed women's hospital in my constituency, which were not selected for the fast track?

Mr. Dobson: There are two points to make. We fast-tracked 14 new hospitals, so we managed to achieve in 11 weeks what the Tory party had failed to do in the five-year period since adopting the PFI approach, spending £30 million of taxpayers' money in the process. Because a scheme was not one of the first 14 chosen does not necessarily mean that it will not go ahead under the PFI. In any case, as we have made clear, more than £1 billion a year from the public sector will be available for national health service capital costs.

Treatments

8. **Dr. Fox:** To ask the Secretary of State for Health what numbers of patients he expects the national health service to treat in each of the next three years. [7949]

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): The range of services provided by the NHS, whether in hospitals, in the community or in GP practices, and the variety of means of

measurement, are such that it has not historically proved possible to arrive at a single figure for the number of patients to be treated.

Dr. Fox: Notwithstanding that somewhat disappointing answer, it is obvious that the number treated will depend on the budgets available to the NHS. In response to the hon. Member for Crewe and Nantwich (Mrs. Dunwoody), the Minister of State indicated that he would like wages in the NHS to rise. If a settlement similar to the £4 minimum wage now given to local authority workers in Scotland is reached in the NHS, what additional costs does the Minister estimate the NHS will have to bear?

Mr. Boateng: The disappointment, such as it is, arises from the appalling legacy left by the Conservative Government's stewardship of the Department of Health over some 18 years. This year's Budget settlement was very good; it will seek real growth of some 2.35 per cent. as opposed to the growth anticipated by the previous Government of some 1.2 per cent. That is progress under Labour, delivered in a way that is about patient care, not about bureaucracy.

Mr. Stevenson: Does my hon. Friend agree that the ability of the NHS to treat and discharge patients depends on multi-agency assessments and the provision of care in the community? In that regard, the additional resources for the NHS are most welcome, but does he share my concern that, if they are not matched by additional resources for social services, we shall be in danger of riding a tandem with the risk of one wheel dropping off?

Mr. Boateng: We need to make sure and we will make sure—my hon. Friend is right to say that we must make sure—that local authorities and the NHS work well together. That means making sure that resources are used as effectively as possible. We have already begun a dialogue with the Local Government Association and the NHS executive to make sure that that happens.

Mr. Jack: The Minister will be aware that, last week, there was an announcement about waiting lists. That will have a crucial effect on the number of patients who can be treated in the NHS. Can the Minister clear up some confusion caused by the announcement in respect of hospital trusts? What will happen in the case of a hospital trust that has negotiated contracts with more than one health authority? In the case of a trust that has a contract with, say, four authorities, three of which have specified a higher level of service than the fourth, can he confirm that the new arrangements will require—without the Secretary of State's prompting—that all those patients face a levelling down of service as a result of the creation of a common waiting list?

Mr. Boateng: The right hon. Gentleman really ought not to believe that a Labour Government work on the same basis as the previous, discredited, Tory Government. We are concerned to level up patient care, but he thinks in terms of levelling down. The assumption he makes is totally without foundation: we will aim for the best practice and we will encourage trusts and authorities to work together to make sure that that happens.

Health Service Funding

9. **Mr. David Taylor:** To ask the Secretary of State for Health how much extra money was allocated to health for 1998–99 as a result of the 1997 Budget. [7951]

Mr. Dobson: In the recent Budget, my right hon. Friend the Chancellor of the Exchequer announced an extra £1 billion for the national health service in England in 1998-99. That, combined with the planned increase of £775 million, amounts to an increase of 2.35 per cent. in real terms—the largest increase for the past four years.

Mr. Taylor: Will the Secretary of State confirm that the Tory plans that he inherited would have meant a real-terms cut in NHS expenditure next year, thus bringing closer the Tories' long-term objective of running down the NHS into a basic safety net service for those unable to afford private care?

Mr. Dobson: I can confirm my hon. Friend's point. Had we not given the extra £1 billion to the national health service next year, there would indeed have been a reduction in the amount of money spent in real terms, resulting from the budget that we inherited from the profligate Tories.

Mrs. Roe: Does the Secretary of State believe that the NHS is underfunded?

Mr. Dobson: Of course it is underfunded; everyone knows that. It has been underfunded since 1948.

Mr. Sheerman: Would my right hon. Friend care to comment on what he could have achieved with the health service if the £5 billion that has been squandered on the bovine spongiform encephalopathy crisis by the previous Government had been available to him to spend?

Mr. Dobson: Indeed. I am going around the country explaining how useful £10 million will be when spent on breast cancer services—we shall announce the details on Thursday. Given the immediate benefits that will flow from just £10 million, it is almost impossible to imagine the improvements that could be made to people's health if we had access to the £5 billion that is squandered on BSE-related compensation as a result of the previous Government's stupidity.

Mr. Simon Hughes: The Secretary of State is fortunate in that this question was altered between the time of tabling and today, to ask about not this year's, but next year's, Budget. However, given that the Minister of State said a minute ago that the trouble with Tory figures was that they were wrong, will the Secretary of State come clean about the figures that follow on from the percentage figure that he gave? The increase to the health service this year is nothing and the increase next year, after taking inflation into account, is significantly less than £1 billion—right or wrong?

Mr. Dobson: For a start, the Budget that my right hon. Friend the Chancellor of the Exchequer announced was basically the Budget for spending, not for this financial year, but for the next financial year—a fact that does not seem to have sunk into some people's minds. The increase

that we have announced, together with the increase that was already in the Budget, means that there will be a 2.35 per cent. increase in real terms—more than twice what the Liberal Democrats promised in their election manifesto.

Mr. Martlew: Does my right hon. Friend agree that, although budgets are tight, trusts are not collecting money that is owed to them? I am talking about the money that is owed to them by insurance companies as a result of road tráffic accidents. What effort is my right hon. Friend making to encourage trusts to collect the many millions of pounds that insurance companies owe the NHS?

Mr. Dobson: As recently as 1988, the previous Government confirmed the law under which insurance companies are supposed to pay up for the cost of treating people who suffer from road accidents. The system that was then introduced brings in practically no money, and we will change the law so that we get the money to which the public purse is entitled from the insurance companies. The amounts vary between £50 million a year, estimated by the Department of Health, and £440 million a year, estimated by the Automobile Association. I look forward to receiving the money, and I am at the moment pondering arrears.

Waiting Times

11. **Mr. Blunt:** To ask the Secretary of State for Health how many NHS in–patients were waiting over one year for treatment (a) in March 1979 and (b) in the latest month for which figures are available. [7953]

Mr. Milburn: At the end of March 1979, there were 185,195 patients waiting more than a year for treatment at national health service hospitals—an increase of 24 per cent. over the previous year. The final figure for the end of March 1997 is 31,208. This represents an increase of 580 per cent. over the previous year.

Mr. Blunt: Given the startling contrast between 180,000 in 1979 and 30,000 today, when does the Minister expect the Government to deliver on their manifesto promise of reducing waiting lists by 100,000? Or is it impossible to give a date, because the Minister knows that the Government's policies are a mirage and will not work or deliver reduced waiting lists? Perhaps the Minister would be better off speculating about the date when the Prime Minister will invite the Secretary of State to pay the price of the hospital pass that he gave when he appointed him.

Mr. Milburn: The Government are already delivering on their manifesto promises. We said that we would cut bureaucracy: we are cutting it. We said that we would get rid of the two-tier national health service: we are. We said that we would replace the internal market: we are. No one in the Labour party underestimates the problems that we were left by the previous Government. Certainly, the Conservative party set some NHS records—record numbers of patients waiting for treatment, record numbers of health authorities in trouble and a record fall in staff morale.

Mr. Pike: My hon. Friend will recognise that the real waiting time for the average member of the public waiting for hospital surgery starts from the date of first referral by the general practitioner, not from the first consultation with a specialist. When will Labour's commitment to abolishing the bureaucracy that has been created be put into effect to eliminate that problem, to ensure that people get surgery as speedily as possible?

Mr. Milburn: My hon. Friend is absolutely right. Patients judge how long it takes to get NHS treatment from the point of referral by the GP, so waiting times are high. In the short term, they are set to get higher, precisely because of the legacy that we face. We shall do all we can as soon as we can to bring waiting times down.

Mr. Keetch: When will these 100,000 additional placements be dealt with by the Government? How will the Government calculate the number? Did not the Under-Secretary accept earlier that there is no way of calculating the figure? Is it not true that the Government gave a manifesto commitment that they do not know how to achieve?

Mr. Milburn: I repeat, for the benefit of the hon. Gentleman, who was clearly not listening earlier, that the Government are committed to delivering, and are delivering, their manifesto commitments. The fact that we have cut £100 million from NHS bureaucracy to put it into patient care is the first sign of things to come. The second sign of things to come is the Budget announcement by my right hon. Friend the Chancellor of increased NHS spending of £1 billion in England. I remind the hon. Gentleman that the Liberal Democrats went into the general election promising to increase the NHS budget by £500 million: we have doubled that.

Mr. Maples: I assume that the hon. Gentleman took his earlier figures from the Department of Health statistical bulletin for 1997; it was good to hear him quoting the Department's statistics without rubbishing them. Will he confirm, however, that they also show that, in March 1979, 25 per cent. of people on the waiting list had been waiting for more than a year, whereas at the end of March this year, when this Government took over, the figure was down to 6 per cent.?

Mr. Milburn: I can confirm that, by March 1997, there had been an increase of 580 per cent. in the number of NHS patients waiting for hospital treatment. In the year to March 1979, there had been an increase of rather less than that. We have certainly set some records concerning the NHS waiting list. *[Interruption.]* If the hon. Gentleman would stop chuntering and start listening, perhaps he would learn something.

Health Promotion

12. **Mr. Levitt:** To ask the Secretary of State for Health what measures he proposes to promote good health in schools. [7954]

Mr. Dobson: Healthy schools will be a major target of our new health strategy for England. We will be working in partnership with the Department for Education and Employment and local authorities to promote the health

and well-being of schoolchildren. A major objective will be to improve the nutritional value of school meals by introducing national nutritional standards.

Mr. Levitt: I thank my right hon. Friend for that answer. It will be applauded throughout the country. Will he ensure that there is maximum co-operation among education staff, health service staff and parents at a local level in the effective promotion of our young children's health?

Mr. Dobson: I can certainly give my hon. Friend that assurance. I should like at this time to pay tribute to the efforts of Derbyshire county council, in the face of all sorts of abuse from the Conservatives, in maintaining a very high standard of school meal services and trying to keep the price down. We should not underestimate the value of a decent meal for many children from deprived homes. We have now reached the stage where children are not able to wait for the school dinner in the middle of the day; some of them have to be given breakfast because they are going so short of food. As was said in the debate on the introduction of local authority provision of school meals in 1906, a hungry child cannot learn.

Mr. Garnier: Can the Secretary of State tell me how much of the money that he mentioned in answer to his hon. Friend the Member for North–West Leicestershire (Mr. Taylor) will be spent on promoting health in schools in Leicestershire?

Mr. Dobson: No. The hon. and learned Gentleman, who has been in the House more than 10 weeks, ought to have a rough idea of the fact that the amount of money that will be spent in schools in Leicestershire will, generally, be determined by Leicestershire county council, Leicester city council or—I believe—even Rutland council. We are determined that there will be national nutritional standards which all authorities will have to reach. One of the meanest, nastiest acts of the previous Government was to take away those national nutritional standards, undermining the health of tens of thousands of the poorest children in the land.

Mr. MacShane: Is my right hon. Friend aware that, because of the weather, one of the problems facing schools this summer is a plague of nits in young children's hair? It may not be a problem for him or me, since there is no hair to hide in. From talking to many head teachers, it is apparent that the problem has arisen because the school nurse became an almost extinct species under the previous Government. Will my right hon. Friend talk with our right hon. Friend the Secretary of State for Education and Employment to see what can be done to ensure that school nurses are brought back and children's hair is properly examined? *[Interruption.]* It is a serious problem, despite the laughter of Opposition Members.

Mr. Dobson: I can confirm to my hon. Friend that our hon. Friend the Minister for Public Health is discussing with the chief medical officer and others what we do at a local level to promote public health and, in particular, give not just the necessary health advice but health help to schools so that the nit nurse reappears.

Mr. Nicholls: The right hon. Gentleman would doubtless agree that he hopes that the Government's commitment to ban tobacco advertising will play its part in promoting the health of young children. If that is so and if tobacco is as bad as we have heard today, should not the Government seize the moral high ground and ban it completely—or is his right hon. Friend the Chancellor simply too addicted to the revenue from it?

Mr. Dobson: The hon. Gentleman gets worse. I think that everybody in the country recognises that banning tobacco is not a practical proposition, because of all the consequences that would flow from it. Nevertheless, we have an obligation to try to stop the tobacco companies—which kill 120,000 of their customers every year—targeting their advertising on children so that they can recruit another 120,000 people to kill off a few years later.

Public Health Strategies

13. **Ms Southworth:** To ask the Secretary of State for Health what action he is taking to promote local health strategies to improve public health. [7955]

Ms Jowell: Our strategy for public health recognises that we must operate at three levels if we are to make a real impact. First, Government must do those things that only Government can do. Secondly, individuals must make informed choices about those aspects of their life styles that influence their health. Thirdly, at a local level, health and local authorities must work together and with business, schools and the whole range of local stakeholders to deliver local targets within the framework of a national strategy.

Ms Southworth: Is my hon. Friend aware that, according to the Confederation of British Industry, more than 187 million working days were lost in 1996 due to sickness and ill health, which cost the country £12 billion? In my constituency, local businesses have worked with Warrington Community Healthcare NHS trust to develop a healthy businesses initiative and promote health care for their employees, which includes screening for visual display unit users, health and sickness screening and first aid training to improve workplaces. What can my hon. Friend do to spread that good practice across the country and ensure healthy workplaces for all?

Ms Jowell: I thank my hon. Friend for that question. I would be most interested to receive further information about the local initiative that she describes, as a major part of our public health strategy will be the development of healthy workplaces and working with businesses and industry to make the business case for public health.

Mr. Baldry: Does the Minister accept that one of the most important parts of any local health strategy is the relationship between social services and local health authorities? Is she aware that, at any one time, between 10 per cent. and 20 per cent. of beds in the Horton general hospital in Banbury are blocked by patients waiting for care in the community funding? That exacerbates the hospital's budget problems and, as a result, 12 surgical beds and a day hospital for the elderly were closed yesterday. Will the hon. Lady conduct a survey across the country to determine how many beds are blocked by patients awaiting social service funding for care in the community?

Ms Jowell: Once again, a Conservative Member abdicates any responsibility for the circumstances of the

past 10 years that have created the situation that he now regrets. We believe that local partnerships are essential, and we are concerned to see that the responsibilities of health authorities and local social services authorities are discharged properly. However, our local initiatives will embrace a far wider range of organisations to combat deprivation and meet our election commitment to tackling the root causes of ill health.

"The Health of the Nation"

14. **Mr. Mitchell:** To ask the Secretary of State for Health what changes he proposes to make to "The Health of the Nation" strategy. [7957]

Mr. Dobson: The previous Government's health strategy had some merits, but focused far too much on personal life style issues. We shall shift the balance in order to tackle the root causes of ill health, such as air pollution, poor housing, unemployment and low wages.

Mr. Mitchell: I am delighted to hear that there will be changes to "The Health of the Nation" strategy, because it did not make sufficient allowances for the consequences of poverty and bad social conditions—both of which increased so much under the last Government—for health. However, will my right hon. Friend assure me that we will not throw out the baby with the bath water? A strategy of targeting is useful in bringing resources to crucial areas—particularly in primary care—and it is a valuable instrument in popular health education and in strengthening personal responsibility for attaining those targets.

Mr. Dobson: I agree entirely with my hon. Friend. It is true that national targets tend to obscure what goes on locally, so we need local targets as well. It is true also that we are dealing with some of the major sources of ill health among the most deprived people in England by improving and building new houses through the release of capital receipts from the sale of council housing, by creating jobs that will be funded from the windfall tax and by tackling the health problems that result from dependency on low wages through our proposal to introduce a national minimum wage—which is always readily condemned by Conservative Members, who do not give a damn about the health of those who are worse off.

Stillbirth and Mortality Rates

15. **Mrs. Brinton:** To ask the Secretary of State for Health if he will make a statement on the rates of (a) stillbirth and (b) mortality amongst (i) manual and (ii) non–manual groups in the last year for which figures are available. [7958]

Mr. Boateng: In 1995, stillbirth rates for all registrations where manual or non-manual status could be assigned were 5.9 per 1,000 total births among manual groups and 4.5 per 1,000 total births among non-manual groups. Rates were thus more than 30 per cent. higher in manual groups.

The most robust figures for similar comparisons of overall mortality relate to men of working age. Over the period 1991 to 1993, death rates among men aged 20 to 64 were 524 per 100,000 in manual groups and 325 per 100,000 in non-manual groups. Rates were thus more than one and a half times higher in manual groups.

Mrs. Brinton: Does my hon. Friend agree that those are shocking and persistent inequalities and that we are reaching the end of 20th century, not mired in the Victorian era? Does he further agree that those terrible figures are a result of the policies of poverty, unemployment and deprivation promoted by the previous Administration? Furthermore, what strategies does he have to deal with them?

Mr. Boateng: I agree with my hon. Friend on all counts. I am happy to give what assistance I can. We are concerned to attack the root causes of deprivation and disadvantage. The proposals of my hon. Friend the Minister for Public Health will make a good start in that direction. We are determined to address the whole needs of the whole nation, in marked contrast to Opposition Members.

Dr. Brand: Will the Minister also look at the way in which provision for services provided by the professionals who are most concerned with these ghastly figures is targeted in the areas where it is most required? I am thinking of health visitors, district nurses and school nurses.

Mr. Boateng: I very much share the hon. Gentleman's concern. In terms of the preparation of women who are about to give birth, we must ensure that we support the health care professionals in reaching out to those women who currently are not given the support from their partners or families that is vital if people are to bring children into the world who are hale and hearty. We will indeed work with health care professionals to ensure that their work is most effective in tackling some of these appalling figures.

Residential Care (Abuse)

16. **Fiona Mactaggart:** To ask the Secretary of State for Health what steps he plans to take to increase the protection from abuse of people with learning disabilities in residential care. [7959]

Mr. Boateng: We take the issue of abuse extremely seriously. We are determined to send a clear and unambiguous message that abuse in residential care will not be tolerated. The promulgation of good practice based on respect for the individual, and the importance of being able to identify and remedy actual or potential abuse, is a vital part of the Department's funding strategy, as is its work on developing a credible and comprehensive regulatory framework based on national regulatory care standards.

Fiona Mactaggart: I congratulate my hon. Friend on ensuring that there is a public inquiry into the scandal in the long-care residential home on the borders of my constituency. Can he give me an assurance that the inquiry's report will be made public, in view of the fact that reports from certain similar inquiries were not made public because of insurance company requirements? When might the powers in the Police Act 1997 to check

the criminal backgrounds of staff in residential care homes be brought into force, as that would make a huge difference in preventing the occurrence of another long-care tragedy?

Mr. Boateng: We will certainly ensure that the conclusions of the report into the long-care scandal are made known and, more important, acted on. I am currently meeting the Minister of State, Home Office—my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael)—to determine when we will be able to move forward and ensure that local authorities can safeguard residents in homes by checking on the previous convictions, if any, of those who work there. That is a matter to which we give the highest priority.

Mr. Ian Bruce: The hon. Gentleman will know that the previous Government, and the then Opposition who are now the Government, have had common cause in ensuring that we root out any abusers in the care sector. However, will he take great care? A head teacher who came to see me the other day told me that nine out of 10 accusations of child abuse against individuals are found to be unfounded, particularly when they involve children with learning disabilities, and that they can cause enormous problems for and strain on the good staff whom we want to encourage. They are leaving the profession because they feel that they must constantly be on their guard and not be alone with children, because perhaps we have gone too far in what we have been trying to do.

Mr. Boateng: We are anxious to avoid in any way reinforcing a culture of blame that can all too readily develop in this area. Equally, it is vital that all engaged in such work understand that toughness, transparency and accountability are the hallmarks of an effective regulatory system. That is something that the House will want to see put in place and that is something that we are determined to do.

Welsh Assembly

3.30 pm

The Secretary of State for Wales (Mr. Ron Davies): With permission, Madam Speaker, I should like to make a statement about the Government's proposals for creating an Assembly for Wales.

The Government believe that, in the United Kingdom, too much power is centralised in the hands of too few people. We believe that there is too little freedom for people in each part of the United Kingdom to decide their own priorities. Our manifesto made clear our intention to give Britain a modern constitution fitting a modern and progressive country. We believe that it is right to bring decisions closer to people, to open up government, to reform Parliament and to increase individual rights.

The White Paper that I am publishing today marks a major step forward in the achievement of our proposals for Wales. We propose to create a democratically elected Assembly that will give the people of Wales a real say in the way public services in Wales are run.

Since the Welsh Office was set up more than 30 years ago, there has been a progressive devolution of administration to Wales. As Secretary of State for Wales, I am responsible for taking decisions about health, education, economic development, roads, planning and many other public services that matter to people's everyday lives. I am accountable to the House, but our procedures here are too often seen as remote from the day-to-day realities of devolved administration.

The Government are committed to bringing decisions closer to the citizen. Our aim is to improve public services by making them more responsive to the needs and the views of people in Wales.

Wales will continue to share the same framework of laws as England, including the primary legislation made for it by Parliament, and it will remain firmly part of the United Kingdom. But the new Assembly will assume many of the functions and powers that I currently exercise. It will have at its disposal the staff and budget of the Welsh Office, now some £7 billion; it will determine policies and set standards for major public services; it will bring forward secondary legislation where necessary to implement those policies; and it will assume responsibility for unelected bodies in Wales, and have powers to reform them and bring them to account.

That means that, in future, decisions on schools, health care and other key services will be taken by people directly elected by, and accountable to, Welsh voters, and therefore responsive to their views. We will be equipping the Assembly to set a new economic agenda for Wales, focused on Welsh needs and priorities, to create the new jobs and industry that Wales still badly needs. Above all else, the Assembly will provide a clear and distinctive voice for Wales.

The Government intend that the Assembly should be a new kind of elected body, open to all talents and close to the people it serves, working in partnership with central and local government, for the benefit of all parts of Wales.

It is the Government's intention to forge a new kind of politics. The Assembly will therefore be based on principles of partnership, democracy and inclusiveness.

First, the Assembly will improve the government of Wales by working in partnership with others, especially Welsh local government. The partnership between the Assembly and local government will ensure that each tier respects the legitimate role of the other.

In making that point, I should like to thank my hon. Friend the Member for Rhondda (Mr. Rogers) for his helpful paper on the proper relationship between the Assembly and local government. Let me tell him and the House that the Assembly will promote and foster local government in Wales; it will regularly review with local government how effectively that commitment is being observed; and it will not be given any new power to take functions away from local government, but will be given powers to transfer functions from quangos to local government. The establishment of the Assembly will give local government a new opportunity to reassert its rightful place as an equal partner in the governance of Wales.

The Assembly will also need to work closely with other key partners, including business and industry and the European institutions. The business community will gain easier access to key decision makers in the Assembly as it pursues its new economic agenda, and the Assembly will listen to the voice of business and respond quickly and effectively to its needs.

The Assembly will foster a new relationship with Europe. The administration of European structural funds is a matter of great importance to us in Wales. That responsibility will pass to the Assembly, which will, in consultation with the Commission, be able to determine priorities for European funding in Wales. Assembly members with executive responsibilities and their officials may, where appropriate, have a role to play in delegations to the Council of Ministers as agreed by the United Kingdom Minister leading those negotiations.

The second principle is democracy. For the first time, the key decisions for Wales will be made by people elected by and democratically accountable to the people of Wales. The executive committee will provide the political leadership of the Assembly, and will be subject to scrutiny through the processes of question and debate. Under the Assembly, policies that matter to people in Wales—education, health and other key public services—will be determined in Wales.

I now turn to the quango state. In recent years, the growth in the number of unelected bodies and some of their activities has caused great concern in Wales. Our proposals for a new and democratic structure of government will address that concern. The Assembly will be given sweeping powers to democratise, and if necessary further restructure, the quangos that remain.

That is a major package of reform, but in the Government's view the need to start the reform of the quango state in Wales is too urgent to be left to await the Assembly. Action is required now, even before the Assembly is established: that point was made forcefully by my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) in earlier debates. I agree with him, so the Bill establishing the Assembly will, by merging the Welsh Development Agency, the Development Board for Rural Wales and the Land Authority for Wales, create a new economic development agency for Wales. It will be a powerhouse to promote the economic regeneration of our country. It will also transfer Tai Cymru's staff and functions to the Welsh Office, and wind up that body.

We shall also wind up Cardiff Bay development corporation by March 2000, while securing the continuing development of Cardiff Bay. We shall reduce the number of training and enterprise councils in Wales from six to four, and we shall make important changes to national health service administration. The Government have already announced that the number of NHS trusts will be reduced. Today, I can tell the House that the Health Promotion Authority for Wales and the Welsh Health Common Services Authority will be wound up and their functions transferred.

Taken together, those proposals will have a profound effect. Unelected bodies will be reduced in number before the Assembly is established, and placed under proper democratic control and scrutiny once the Assembly is in place. No longer will our key public services lie in the hands of political appointees operating in secret and accountable to no one in Wales.

The third principle I mentioned was inclusiveness.

The Assembly that we propose will have 60 members. Forty of them will be directly elected from parliamentary constituencies through the first-past-the-post system, with 20 additional members to provide an element of proportionality. Voters will be able to vote both for constituency candidates and for party lists for additional members. The Assembly will reflect all Wales in its membership and in its working practices, and its committees will give all political parties in the Assembly the opportunity to make their distinctive contribution to its work. Our proposals for regional committees will give all parts of Wales a stake in the Assembly's success.

I want people of real ability and commitment, representing the widest possible range of interests, to serve in the new Assembly. In particular—although this is not a matter for legislation—it is vital for women to participate more in public life in Wales, and I look forward to seeing a high proportion of women as Assembly members.

Members of the official Opposition have suggested that our proposals in some way threaten the integrity of the United Kingdom. That is simply wrong. Parliament will continue to be responsible for primary legislation for Wales, and there will be no reduction in Wales's representation in Parliament as a result of our establishing the Assembly.

The Secretary of State will continue to represent Welsh interests in the Cabinet, and will participate fully in the Government's formulation of policy. Through his links with the Assembly, he will ensure that Wales's voice is heard more clearly on issues of major importance to Wales. In the same way, Assembly officials—who will be members of the Home civil service—will work in close partnership with officials in other Departments in developing policy proposals. Wales will remain an integral part of the United Kingdom: let there be no doubt of that.

We intend to submit our proposals to the people for their endorsement on 18 September. I am making arrangements for the White Paper to be widely available throughout Wales; a leaflet describing our plans will go to every household, and the White Paper text will be made available on the Internet. Everyone in Wales will have the opportunity to know about our plans, and to contribute to the debate in advance of the referendum.

The Welsh Assembly is a key element in the Government's project for a new Britain, with strong communities, a modern constitution and a confident place in the world. In this new Britain, Wales will have its voice. The proposals are right for Wales and right for Britain, and I commend them to the House.

Mr. Michael Ancram (Devizes): The Secretary of State has obviously laboured mightily since his days of voting no to devolution in Wales in 1979. He has brought forth what can only be described as a mess—a vast constitutional mess, the full extent of which will probably become apparent only when we see the draft legislation. That, I suspect, is why we have today a White Paper rather than a draft Bill. There is much that the Government seek to hide from the people of Wales before they vote in the referendum on 18 September.

The White Paper is called "A Voice for Wales". Rarely can there have been a worse misnomer. In reality, the White Paper's proposals amount to the marginalisation of Wales, its sidelining at Westminster and in Government, and the silencing of the voice of Wales where it matters, at the heart of Government. It would be better to call it "A Lost Voice for Wales", because at the end of the day, by definition, this will be a voice that ends up speaking only to itself. This expensive, bureaucratic talking shop will spell the beginning of the end of the great and historic influence wielded by Wales in the United Kingdom. It is bad for Wales, it is bad for the people of Wales, and it is bad for our United Kingdom.

On Friday, we shall debate the details of this damaging document. There will be many probing questions to be asked, to which we shall expect to hear answers. I must tell the Secretary of State that the days for bluster are over: the people of Wales deserve to be given the unvarnished facts before they are asked to vote on 18 September, and we need answers now.

Let me start that process by asking the Secretary of State a few questions now. First, where in the White Paper is the power promised by the Prime Minister in Wales last Friday for the people in Wales, through the Assembly, to run their police? Will that power in fact remain with the Home Office? If so, why has the Prime Minister changed his mind in such a short period?

Secondly, will the Secretary of State assure the House that the overall setting-up costs and running costs of the Assembly set out in the White Paper will not be exceeded? Will he confirm that those costs will be borne by existing Welsh spending programmes and not by the British taxpayer as a whole? Will he also confirm that, under his proposals, the Assembly would have the power to cut revenue support grant to local authorities in Wales in order, if it so chooses, to increase spending on its own programmes, thereby forcing local councils to make good the shortfall by raising council tax? Does he not agree that, if that were to happen, in effect it would be a back-door form of tax raising? How would that fit with his undertakings that there are no tax-raising powers in the White Paper?

What is the difference between an economic powerhouse and a super-quango of the sort that the Secretary of State is committed to destroying? How much does he expect to save from his reorganisation of quangos, and how many jobs in rural areas will be lost as a result of that reorganisation?

[Mr. Michael Ancram]

What will be the real role of the Secretary of State other than as a messenger boy, running to and fro between the Cabinet and the Assembly—a sort of glorified "Postman Ron"? What role will he have in future public expenditure survey reviews, which are so important to the provision of Welsh services, when he will have no responsibility for the matters over which he is arguing? How can he hope to win crucial funding battles with his colleagues in Cabinet? Will he not swiftly become the invisible man at the Cabinet table?

How will the Secretary of State's list system of electing additional members work if the Euro-constituencies on which, according to the White Paper, it is based are abolished in pursuance of the wider Government policy on proportional representation in Euro-elections?

Finally, is it not clear that, far from providing a satisfactory or durable solution, this White Paper presents the opportunity for massive disappointment and consequent disillusion with the devolutionary process, and establishes the basis for a focus of discontent, which will increasingly threaten the integrity of the United Kingdom? Is this White Paper not a fraud on the people of Wales—more like a sales pitch for a dodgy timeshare deal than a document intended to make constitutional history? On reflection, was not the Secretary of State right in his 1979 instinct of voting against devolution for Wales, and would he not be sensible to return to that position now?

Mr. Davies: No, I would not. I will deal with the last point that the right hon. Gentleman has raised at the conclusion of my replies to him.

If the right hon. Gentleman were concerned about the integrity of the United Kingdom, he should have reflected carefully on the attitude of the previous Conservative Government, who ruled Wales ruthlessly in the interests of the Conservative party and of Conservative appointees, rather than of the people of Wales.

If anyone has exacerbated the political situation in Wales, it is my predecessors as Secretary of State: the right hon. Member for Wokingham (Mr. Redwood), who brought the Conservative party into disrepute in Wales, and my immediate predecessor, the right hon. Member for Richmond, Yorks (Mr. Hague), who managed, thanks to the Conservative record, to ensure that no one in Wales now speaks for the Conservative party, which lost every seat at the last general election defending the status quo. I should have thought that the right hon. Member for Devizes (Mr. Ancram) would reflect on that.

On the specific questions that the right hon. Gentleman has raised, the Bill will provide for the transfer of my functions to the Assembly. I do not have responsibility for the police at the moment—although, of course, the Assembly will be able to debate such matters and to make representations. He has raised the question of tax-raising powers. We have made it absolutely clear that the Assembly will not have any direct tax-raising powers. [HON. MEMBERS: "Direct—ah."] Well, of course, I have made it absolutely clear that the Assembly will not have direct tax-raising powers. It will have responsibility for the allocation of the block grant, just as I now have responsibility for that grant. Those powers were exercised by my predecessor in a way that deliberately inflated council tax bills in Wales for the past two years. He wrote to right hon. and hon. Members stating that it was the previous Conservative Government's deliberate policy that council tax bills should increase by more in Wales than in England.

The right hon. Member for Devizes mentioned the rural areas. I give him the categorical assurance that I have given hon. Members who represent those areas that there will be no diminution in support for the rural parts of Wales as a result of the reform of the Development Board for Rural Wales. He spoke about the role of the Secretary of State. The Secretary of State will continue. Under previous Administrations, the Secretary of State served to bring the Tory writ from Whitehall to Wales. Under Labour's proposals and under the Assembly, the Secretary of State will be the voice of Wales in Government in Westminster and Whitehall, and that is an interesting and worthwhile development.

The right hon. Gentleman asked about the additional Member system, and queried what would happen if we were to review constituency boundaries. We would have to deal with that matter at the time, and if the European constituency boundaries were amended, we would have to make provision for the continuation of an additional Member system in future elections.

The right hon. Gentleman started and finished on my decision to reverse the position that I held in 1979. In 1979, I voted against the devolution proposals for what I believed to be a good reason at the time. We had just had an extensive reorganisation of local government, which forced on us in Wales two tiers of local government. There are no longer two tiers: we now have a single tier of unitary authorities. When the right hon. Gentleman has had time to learn a little more about Wales, he will understand our system of local government.

In 1979, we had recently entered Europe, and we faced the prospect of the first elections to the European Parliament. That was a novel development at the time, and there was confusion about the role of the regions in Europe. Since that time, there have been substantial changes. We now have a new relationship with Europe, and I believe that the interests of my country and Britain's regions will be better served by having a positive and distinctive voice in Europe. The powers that have been increasingly devolved to Wales by the right hon. Gentleman's party, by successive Conservative Secretaries of State, since 1979 have resulted in a panoply of powers in the Welsh Office, which need to be put under democratic control.

Finally, I have learnt a bitter lesson since 1979—that rule by the people of Wales, electing their own representatives and deciding their own priorities and policies, is a far better prospect for our people than continuous rule by Conservative Secretaries of State, who represent no one but their own vested ideological interests.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Sadly, I say to my right hon. Friend that I do not think that the document is a bonfire of the quangos. The vast majority of the quangos and the quango state will survive to at least 2000. May I ask him why?

Mr. Davies: We have made it clear in our White Paper that we shall take immediate action to remove nine of the quangos. Within what is called the quango state, there are

three separate types of quango. Many of them—by far the greatest number—are those that were set up to provide specialist advice to Government. I do not think that anybody would want to remove the specialist committees that deal with a range of matters ranging from pharmacology to the boundaries of upland farming. Those are advisory committees and are not part of what we understand to be the executive machinery of government. They were set up by Government to provide specialist advice, and any system of government will continue to require them.

Secondly, some quangos were set up by royal charter. It is not within my gift to bring about changes to those bodies, such as the Sports Council for Wales or the governing body of the museum. They must consider their own structure in the light of the Assembly. Thirdly, the sector that deals more specifically with my hon. Friend's concerns consists of the executive quangos. We have taken direct action. We are removing some quangos that deal with economic development or directly with the health service or with housing.

In total, we are reducing the number of executive quangos by nine. Crucially, we are empowering the Assembly. It is important to realise that, when the Assembly is created, it must look at the situation it inherits. It will have a responsibility to decide what it wishes to do with bodies such as the Further Education Funding Council for Wales. There are decisions that we must take now, particularly in respect of economic quangos, to provide the Assembly with the tools to do the job.

As for the other quangos, it seems perfectly in keeping with the principles of devolution to set up the body and give it powers to decide how it wishes to run such internal affairs in Wales.

Mr. Lembit Öpik (Montgomeryshire): The Liberal Democrats welcome the White Paper. It is about time that Westminster woke up to its responsibilities to other parts of the United Kingdom, and this is the first important step in achieving that for Wales. I am sure that everyone here who is genuinely interested in democracy will support the tenets and the concept behind the White Paper. That is why I hereby categorically state that the Liberal Democrats will campaign for a yes vote on 18 September.

Naturally, there are aspects that concern us. What, for example, will be the future format of regional development support in place of the abolished Development Board for Rural Wales? How does the Secretary of State intend to restructure health provision to try to alleviate the desperate health crisis, especially in the context of the cottage hospitals?

There are also questions about local government, and within that also the reassurance, which I know is in the document, but specifically in terms of the appraisal of exactly what the local authorities will be allowed to do—[Hon. Members: "Question."] So my question is: will the Secretary of State reassure us that, over the next seven weeks, he will listen sympathetically and constructively to proposals made by those in other parties and by the general public, to ensure that we have not just a voice for Wales, but a voice for all Wales?

Mr. Davies: I very much welcome the hon. Gentleman's announcement that he intends to campaign in favour—[Hon. Members: "Oh."] I must say that I welcome it; of course I do. It shows that there are people in the House who can recognise that sometimes there is a unity that extends across the Floor of the House. If there are matters on which we agree, it seems to me sensible—it might be a mature way of conducting our affairs—to acknowledge where there are agreements, rather than destroying things unnecessarily in order to focus on the disagreements.

Sir Patrick Cormack (South Staffordshire): Blaenau Gwent.

Mr. Davies: I welcome—

Sir Patrick Cormack: Blaenau Gwent.

Mr. Davies: The hon. Gentleman is giving us a perfect example of the sort of politics that I want to get away from.

I welcome the commitment by the hon. Member for Montgomeryshire (Mr. Öpik) to campaign for a yes vote on 18 September. I assure him that I understand the concerns of rural Wales, especially his constituents' fears about the merger of the DBRW with the Welsh Development Agency. The new body will build on the best of both organisations, and it is my absolute determination—I can give the hon. Gentleman a guarantee here and now—to ensure that the work of the DBRW will be continued by the new agency when it is established.

We have made it clear in the White Paper, and it will be a continuing commitment by the Government, that the Assembly will not encroach on the powers of local government, but will work in partnership with it. I believe that, as the quango state is wound down, there will be opportunities for local government to embrace more and more powers, and to play an increasing role in our national affairs. Equally, we are determined to unwind the health quangos. Money saved by reducing the number of quangos will go towards improving the quality of health care.

Mr. Dafydd Wigley (Caernarfon): May I say at the outset that we welcome a number of aspects of the White Paper—those proposals that will be beneficial to Wales. None the less, it will provide an Assembly that we feel is substantially less powerful than Wales needs. At the very least, we should have had a Parliament with powers as strong as those promised to Scotland.

However, no one can deny that, on 1 May, the Government had an overwhelming mandate in Wales for their policies. Was not the scale of the Tories' defeat in Wales, where they lost every seat, a reflection of the disgust felt there at their abuse of power—imposing by governor-general and by quango what they could not secure by democratic mandate? Does the Secretary of State agree that the one overwhelming reason why the people of Wales will vote for his proposals is that they will be seen as a bastion to protect Wales from ever again being the victim of such arbitrary Tory rule?

We welcome the fact that no powers will be taken from local government, that Wales will have a higher profile in Europe, and that the Assembly will be free to develop its policies on a range of issues; but I seek an assurance that the needs of rural Wales will be specifically safeguarded

[Mr. Dafydd Wigley]

under the new proposed structure. Will the Secretary of State confirm that it will be possible for the Assembly to use its powers on a regional basis within Wales, so that, for example, North Wales or Dyfed Powys health authority would become answerable to the elected representatives from those areas?

Will the executive of the Welsh Assembly have as full a right as the Scottish Parliament to fight its corner in Brussels? That consideration is important to agriculture and industry in Wales. Will the Secretary of State confirm that this Assembly is to have substantially stronger powers, especially with regard to economics and the development of the Welsh economy, than that proposed in 1979?

We shall study the White Paper carefully. The status quo is not an acceptable option, and we can only hope that the proposed Assembly will have the potential to give Wales the democratic government that our country so greatly needs and deserves.

Mr. Davies: I think that I can reasonably interpret that as a qualified welcome, and I appreciate it as such, although I understand that the proposed Assembly is a far cry from the Parliament on which the hon. Gentleman and his party fought and lost the election; as he rightly says, these are our proposals. He is right to suppose that the Assembly will act as a bastion against the prospect of a further Conservative Government, but I happen to believe that it has merits in its own right: it will improve our democracy, and give us better government.

I especially welcome the hon. Gentleman's comments on local government and Europe. There is a developing consensus in Wales about the way forward. The new economic powerhouse will certainly be required to have a system of regional directors, and one of those will by and large mirror the area of the existing Development Board for Rural Wales, so there will be a clear responsibility to continue the board's work.

There are some difficulties that we would have to overcome to achieve the outcome for area health authorities that the hon. Gentleman proposes. There is a statutory requirement on those authorities to include professional medical representatives, and that would obviously have to be accommodated in any reorganised system. At the moment, we also have a binding commitment to operate the Nolan rules for appointments to area health authorities, and we would have to ensure that those rules took account of the hon. Gentleman's suggestion, but I assure him that it would be possible to go down that road if the Assembly so decided.

Wales will not be disadvantaged in our representation in Europe as compared with the Scottish Parliament and its Ministers. The hon. Gentleman is absolutely correct to say that the current proposal is infinitely stronger than that of 1979, not least in the central mechanism that we are providing to enable the Assembly to improve the living conditions and economic prospects of the people of Wales.

Mr. Alan Williams (Swansea, West): Does the Secretary of State, like the Under-Secretary, my hon. Friend the Member for Neath (Mr. Hain), see the Assembly as an evolving concept, developing its powers and its role over time? If so, is he not offering the people of Wales the constitutional equivalent of a mystery tour? They can decide whether to get on the bus, but they can have no say in its ultimate destination.

Mr. Davies: No, I do not agree with my right hon. Friend that it is a mystery tour. Parliament is sovereign and will decide to what extent it wants to devolve powers to the people of Wales. We propose to consult the people of Wales by means of a referendum, and they will decide whether they want to embark on the process; if they decide that it is a tour in which they have no interest, they will tell us so on 18 September.

However, I do indeed consider the Assembly to be an evolving concept. Since 1964, there has been increasing devolution of power to Cardiff. A Secretary of State with very limited powers was appointed in 1964, and those powers were exercised under the Government loyally served by my right hon. Friend, and increased by successive Conservative Secretaries of State. Now, in 1997, there is an extremely powerful Welsh Office, with a budget of about £7 billion; that is out of all proportion to anything that could have been envisaged in 1964.

As Secretary of State, I have responsibility for the equivalent of seven or eight Westminster Departments. No one could have conceived in 1964 that the Welsh Office, as then created, would have become the body that it is today. If the Assembly evolves and becomes more representative, if it gives us a better democracy and serves the people of Wales better, if we have a better economy and more effective public services, that is evolution that I would very much welcome.

Dr. Michael Clark (Rayleigh): Does the Secretary of State recall saying in his statement that decisions relating to schools and health in Wales will be taken by people elected by the people of Wales? Does he agree that decisions on schools and health in England will also be taken by people elected in Wales—Welsh Members of Parliament? Does he think that that is right, or does he believe that the English do not have the same right to make their own health and education decisions as the people of Wales?

Mr. Davies: Let me give the hon. Gentleman an example. It was this Parliament that decided that provision would be made for the nursery voucher scheme. English, Scottish and Welsh Members participated in those debates and passed the primary legislation. The nursery voucher scheme was then implemented in Wales, in the teeth of the opposition of 34 out of 38 Welsh Members of Parliament. Not one Welsh local authority favoured the scheme. The Welsh Office received some 4,000 letters of opposition and many petitions against it. The system was entirely inappropriate to Wales. It was bureaucratic, divisive and wasteful. The Welsh Office received one letter of support.

The system was implemented in Wales by secondary legislation. The primary legislation was the responsibility of the House. That procedure will remain exactly the same. This House will decide the framework of primary legislation. However, instead of having a Secretary of State for Wales who is not answerable to the people and who implements policy in direct contradiction to the

express wishes of the people, it will be the wishes of the people that prevail. That is democracy, and that is what I want to see.

Mr. Donald Anderson (Swansea, East): Will my right hon. Friend have the courage to take our campaign into the very heart of the camp of the noes—that is, to the island of Jersey—during the August holidays? Is it not incredible that the Conservative party believes that our constitutional structure is so perfect that it cannot be improved?

Mr. Davies: I am grateful for my hon. Friend's comments. I understand that there is an organisation in Wales called the "Say No to Wales" campaign. It is a front organisation, behind which the Conservative party, which is frightened to campaign for a no vote, hides. It is bankrolled by a 92-year-old recluse living in tax exile in Jersey. *[Interruption.]* If it is a question of open debate, I would rather that the democratically elected representatives of the people of Wales put the case honestly and openly to their constituents. *[Interruption.]*

Madam Speaker: Order. I understand that the hon. Member for Ribble Valley (Mr. Evans) hopes to question the Secretary of State at the end. If so, he might keep calm and hold his fire until then. Many hon. Members wish to ask questions. I hope that the Secretary of State will be brisk in his responses.

Mr. Davies: In which case, I agree entirely with my hon. Friend.

Mr. Dominic Grieve (Beaconsfield): I note that the White Paper states that, when the Assembly is set up

"The Secretary of State . . . will not . . . be accountable for the activities of the Welsh Assembly".

That is the central point over which the right hon. Gentleman skated in answering the question raised by my right hon. Friend the Member for Devizes (Mr. Ancram). If the Secretary of State is no longer accountable to the Welsh Assembly, how do we, as the elected representatives of the United Kingdom Parliament, maintain scrutiny over secondary legislation passed by the Assembly?

At present, we can call the Secretary of State to account. Under the proposed system, however, we will not be able to do so. If that is the case, why should any Welsh Member of Parliament have the right to participate in any debate on matters concerning other parts of the United Kingdom?

Mr. Davies: The purpose of the exercise—which the hon. Gentleman may have misunderstood—is to devolve power. If we devolve power, we have to accept that people may choose to exercise that power in a way we do not like. It is not my desire to devolve power to the Welsh Assembly and then have the opportunity to second-guess it at each and every opportunity. If we devolve, we have to let go, and that is what we propose to do.

Each and every act of devolution, and every decision to pass powers to a Welsh Assembly will be taken by this House. Acting together, English, Irish, Scottish and Welsh Members of Parliament will decide the nature and the extent of the powers to be devolved to the Assembly.

Ann Clwyd (Cynon Valley): As someone who campaigned for a yes vote and who voted yes in the last referendum, I am certain that, after 18 years of Tory government, the people of Wales will have no doubt this time around, and that there will be an overwhelming yes vote for the Assembly.

I would have liked to see a Parliament for Wales, as that would have been an important step forward for democracy in Wales. I hope very much that we will have a Parliament, as the Scots will have.

My right hon. Friend the Secretary of State particularly mentioned the importance of having more women in public life in Wales. I believe that it has been the fault of the "selectorates" rather than the electorate that we have had so few women in the past. How precisely does he intend to assist that process?

Mr. Davies: I very much appreciate the consistency of my hon. Friend, who puts me to shame by drawing it to the attention of the House. I am grateful for her support, and I know that she will campaign vigorously for the Assembly, in line with the principles she has always advocated. I made it clear in my opening remarks—it is also in the White Paper—that I believe that the Assembly will be better served if it is more representative of all aspects of Welsh life. That means that we have to bring more women into political life in Wales.

However, that is a matter for my hon. Friend and for me as party politicians—it is not a matter for me as Secretary of State. I can assure her that, in the debates that we will have within the Labour party, she will find me a staunch ally.

Mr. Owen Paterson (North Shropshire): There appears to be a contradiction here. The Secretary of State has just told us that this Parliament is sovereign. In future, i may come to pass that a policy laid down by this Parliament is in conflict with a policy decided by the Assembly. If this Parliament can overrule the Assembly, does not that render the Assembly nothing more than an expensive talking shop?

Mr. Andrew Mackinlay (Thurrock): He is talking through a hole in his hat, and he knows it.

Mr. Davies: I am grateful for the support of my hon. Friend, but there is another argument that I would rather use.

The hon. Member for North Shropshire (Mr. Paterson) must accept, as we do, that this Parliament is sovereign and can override the decisions of a Welsh Assembly at any time if it wishes to do so. But we should not view politics as an all-or-nothing game, in which all power rests at the centre and the wishes of the centre must prevail under all circumstances. I want to see devolved and pluralistic government, and we are proposing to devolve powers to Wales.

If, in five or 10 years' time, the Conservative party wishes to override the people of Wales by exercising the sovereign powers of this Parliament, it can do so. I happen to think that, once the Assembly is created, no Conservative Government who threatened to ride roughshod over the wishes of the people of Wales—or, for that matter, the people of Scotland or the English regions—would be elected.

Mr. Allan Rogers (Rhondda): I thank the Secretary of State for his kind remarks, and I am glad that he found my paper helpful. His proposals do not relieve me of my fears, but that is a subject for future discussion.

[Mr. Allan Rogers]

Although I accept that there is a democratic deficit in Wales—created mainly by the Conservative party and its shameless behaviour in the past 18 years—what disappoints me is that the White Paper is a nationalistic, rather than a parliamentary, response. Does he believe that the 60 members of the future Welsh Assembly will be able to control the quangos, which will not be scrapped? The powerful ones may be merged, but appointments to them will not be scrapped. Does he believe that those 60 members will be better able to control those quangos than him, his Ministers, the Welsh Office and the 40 elected Members of Parliament?

Are we not democratically accountable? Are my right hon. Friend and his Ministers incapable of, or incompetent at, policing what will be left of the quango state? If the Secretary of State can demonstrate, once the Bill is drawn up, that we will get rid of the quango state, I should be only too happy to support his proposals.

Mr. Davies: I am grateful for my hon. Friend's qualified support. The proposals spell the end of the quango state in Wales. In the past 15 years, that state has been characterised by the surreptitious and corrupt appointment of, by and large, Conservative placemen by previous Conservative Secretaries of State. Those quangos have followed a Conservative party agenda. They met in secret, and were not accountable either to the House or to Welsh public opinion. That will come to an end, because there will be a substantial reduction in the number of quangos.

We will ensure that appointments to the quangos that remain will be open, properly advertised and made according to the Nolan principles. The terms of reference of those few remaining quangos will be set by the Assembly after public debate, and it will be charged with scrutinising and calling to account their actions. That is a far better prospect than rule by the quangos established by previous Conservative Secretaries of State, who conspired in the House to prevent Members of Parliament from carrying out their proper legitimate duty to scrutinise the activities of those quangos.

Mr. Andrew Rowe (Faversham and Mid-Kent): The Secretary of State painted a glowing picture of the weight of responsibility that he currently carries, with budgets of £7 billion, offices to run and so on. When all that is devolved, what on earth will he be left to do? The truth of the matter is that he does not care, because, if he takes this mess successfully through the House, he will no doubt hope to be promoted to a real job, leaving the insubstantial shadow to someone else.

Mr. Davies: Most people in Wales will regard those comments as particularly insulting. I believe that I have an important role, and I regard it as a great privilege to serve the people of Wales. I happen to believe that those people would be better served if they had greater control over the services which influence their lives in so many ways.

As I explained to another Conservative Member, this House will be the legislative body for the people of Wales. The British Cabinet will construct the relevant legislation and will put in place the mechanisms for devolution that will operate in Wales. It will be very important for Wales to have a Secretary of State to ensure that the voice of Wales is heard in the British Cabinet. It is important to ensure that the people of Wales have a voice to speak on their behalf about the conduct of all Government affairs. It is important that the people of Wales have a voice in Europe to ensure that when European decisions are taken our voice is heard among those of the people of England and Scotland.

The Secretary of State will have a continuing role, if a changing one. I am sorry that the hon. Gentleman cannot understand that politics is not fossilised. Our constitution evolves, and it must be democratic and dynamic. It must change to suit modern circumstances.

Sir Raymond Powell (Ogmore): I recall my right hon. Friend's support for women in his statement. Would he therefore consider whether it might have been possible to abolish the proportional representation system, as he has proposed, in favour of 80 members of the Assembly, 40 men and 40 women, elected for the 40 constituencies? That would undoubtedly have pleased the women of Wales, and the women of the country. It would have given at least an opportunity to every man and every woman in Wales to represent one of the 40 constituencies.

I put that proposal to the commission of the Labour party executive committee in Wales. I thought that it would at least look at it seriously and decide not introduce a PR system. I must tell the Secretary of State that I do not intend to vote for the proposals if they include one on PR. Indeed, I shall only be more or less following what he has now admitted he did in 1979, when I and several others were trying to introduce a Welsh Assembly. I trust that he has now decided that he is quite prepared to listen to the views of my hon. Friend the Member for Blaenau Gwent (Mr. Smith) and others whose views might, like mine, differ from his on this issue.

I conclude by asking this question. Some time ago, my right hon. Friend made a statement about abolishing all the quangos—sweeping them away as soon as we had a Labour Government and Welsh devolution; so why is he is currently proposing that only one fifth should be done away with?

Madam Speaker: Before the Secretary of State responds, may I make a plea to all hon. Members to put only one question to the Secretary of State? We have spent a long time on this issue, and we shall be coming back to it. We are not debating the White Paper; we are questioning the Secretary of State's statement and I am sure that the Secretary of State will be brisk, so that I can call as many hon. Members as possible.

Mr. Davies: Thank you, Madam Speaker. I know that my hon. Friend is a long-standing opponent of proportional representation and that he made a submission to the Labour party policy commission that considered these matters. The commission considered his views, and the option of including a double number of constituency representatives to ensure that women were represented. However, it was the commission's view that that was not

the way to proceed, and that view was put to the Labour party conference in February this year and accepted unanimously. I am loyal to that policy.

Mr. Edward Garnier (Harborough): What will happen to the Welsh Grand Committee following the setting up of the Assembly?

Mr. Davies: That will be a matter for the House to decide.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): On the question of quangos, I have not yet read the White Paper in detail, but my impression is that a number will be cut and a number will be merged. That is not proper democratisation, and our pledge was that we would bring unelected quangos under democratic control. Referring particularly to the Welsh Arts Council and the Welsh Language Board, it is strange to be thinking of an elected Assembly that does not take over responsibility for the arts and the language, which are unique to the Principality.

Mr. Davies: I apologise to my hon. Friend for the fact that he has not had a chance to read the White Paper. When he has had a chance to do so, he will understand that we refer specifically to those points.

Madam Speaker: As the Secretary of State is trying to indicate, we are not today debating the White Paper. That will come later.

Mr. Davies: Let me reassure my hon. Friend that we are making substantial inroads into the number of quangos, and that all remaining quangos will be fully accountable to the Welsh Assembly.

Mr. Eric Forth (Bromley and Chislehurst): One gathers that the set-up costs of this exercise will be some £12 million to £17 million, and that the annual running costs will be £15 million to £20 million. Can the Secretary of State give an undertaking that that will all be paid for out of the Welsh block grant, and that the English taxpayer will in no sense be asked to pay for any of this extravaganza?

Mr. Davies: I do not think that the Treasury calculates the tax receipts it currently receives on the basis of whether they are paid by English, Welsh or Scottish taxpayers. However, the costs of the Welsh Assembly will be met from the eventual settlement between the Welsh Office and the Exchequer.

Mr. Rhodri Morgan (Cardiff, West): Now that the Tory party has decided to leave Wales to its own devices, may I commend my right hon. Friend the Secretary of State and the intrepid explorers of his Department on having apparently found at last the source of Lake Quango, where those undemocratic creatures have been breeding so prolifically in recent years? I recommend a strong spraying of DDT—democratic deficit treatment.

Even if that is done in several stages—partially by primary legislation here and now and partially by the Welsh Assembly itself—will my right hon. Friend give an undertaking that, in the end, the quango state will have been uprooted and properly dealt with through the processes of democratisation?

Mr. Davies: I can give my hon. Friend that absolute guarantee. I am grateful for his continued support in these matters.

Mr. Nick St. Aubyn (Guildford): Talking of democratic deficits, will the Secretary of State be standing for the Welsh Assembly, or does he intend to lord it over the Assembly as the viceroy of the valleys?

Mr. Davies: The purpose of the reforms is to introduce a new democracy to ensure that we have sensible, rational and mature debates. I have no desire to lord it over anyone.

Mr. Paul Flynn (Newport, West): Was my right hon. Friend cheered this morning by the words of Mrs. Betty Campbell, who heads a school in the Butetown area of Cardiff? That school is very similar to Pillgwenlly school in my constituency where, last Saturday, children, mixed together, mostly from ethnic minority backgrounds, sang in English, Welsh and Urdu.

Is not a minor miracle going on in Wales, in which groups of people from a variety of ethnic backgrounds—including Welsh-speaking Members of Parliament from Irish stock—come together? Can we not say in the Assembly, in that stronger identity that we have in Wales, that this is a nation made up of many ethnic groups, composed of races from throughout the world? We have a proud record of racial harmony, which we can express with the stronger identity that we shall have among the other nations of Europe under the Assembly, which will be welcomed by all the peoples of Wales.

Mr. Davies: I am very grateful to my hon. Friend for his support. It is worth reflecting on the two campaigns that we shall have in Wales. We shall have the "Yes for Wales" campaign, which will be composed of people from all walks of life coming together voluntarily to campaign for a newer, better and more confident Wales. They will be opposed by the "Say No to Wales" campaign, a Tory front organisation, representing no one, with no hope, no interests and no prospect of ever again representing anyone in Wales.

Mr. Tony Baldry (Banbury): The Secretary of State must be aware that, last Thursday evening, a significant number of Welsh Members trooped into the Government Lobby to rate-cap two English shire counties: Oxfordshire and Somerset. If, in future, English Members are no longer to have any say or involvement in Welsh education, Welsh housing and Welsh health, what possible justification can there be in future for Welsh Members to determine matters affecting class size in my constituency, or the level of funding for counties such as Oxfordshire or Somerset?

Mr. Davies: I apologise to the hon. Gentleman if he has not yet had the chance to read the White Paper and does not understand the nature of the proposals. This is the Parliament of the people of Wales, and this is the sovereign Parliament of the United Kingdom; any proposals relating to Welsh education, the Welsh health

[Mr. Davies]

service or any other matters relating to Wales will be decided by this House. It is right that people from Wales should be represented when legislation that has a direct impact on the people of Wales is passing through the House of Commons.

Mr. Llew Smith (Blaenau Gwent): The Secretary of State once said that he intended to scrap the quango state in Wales; he has obviously failed dismally to do so. However, does he realise that, if one wished to scrap those quangos, one would not need to have recourse to an expensive Welsh Assembly? They were set up by this Parliament and they can be repealed by this Parliament—as I said, without an expensive Welsh Assembly.

Mr. Davies: Yes, the quangos could be repealed. However, the work of organisations such as the Welsh Development Agency has made a significant improvement to the quality of life of my hon. Friend's constituents. I happen to think that bodies such as that have significantly improved the economic prospects of our people in Wales and the quality of the public services they enjoy.

I want not so much to abolish those quangos as to ensure that the services they provide are democratically accountable to the people of Wales. In doing so, we do need to get rid of the boards, but I ask my hon. Friend not to confuse my determination to get rid of the unelected, unaccountable boards with his apparent determination to get rid of the quangos and the executive functions that they perform. I can assure him that, if we were to do as he suggests, Welsh public life would be very much the poorer.

Mr. Barry Jones (Alyn and Deeside): Does my right hon. Friend agree that the people of Wales are a mature political democracy, quite capable of taking decisions for themselves? However, will he assure my constituents on Deeside—indeed, people throughout north-east Wales—that there are advantages to be gained from an Assembly, bearing in mind the fact that many of my constituents believe that Cardiff is a faraway, rather foreign place? Does he see a long-term future for the great office of Secretary of State for Wales?

Mr. Davies: I have already dealt several times with the question of the office of Secretary of State, but I am grateful for the continued support of my hon. Friend in this matter. The office of Secretary of State will continue. I also assure my hon. Friend that the economic powerhouse will be specifically charged with containing a north Wales division. The work being done at the moment by the Welsh Development Agency, in conjunction with the North Wales Forum, will continue.

The Assembly will also have a statutory duty to set up a regional committee structure; one of those committees will be a north Wales committee. Therefore, if my hon. Friend feels that Cardiff is a long way from north Wales, he can be reassured that the people of north Wales will have their own clear structure in the Assembly—and their own clear voice.

Mr. Howard Flight (Arundel and South Downs): Will the Secretary of State comment further on the precise powers that the Assembly will have in the domestic areas of health, education and housing? Either those powers will be meaningful and greater than the powers that local authorities already have, or the Assembly will be little more than a talking shop. If it has powers to act contrary to the Government of the day, will that not have long-term implications? For instance, its block grant should be no more than pro rata, and should no longer include subsidies from England.

Mr. Davies: The answer to the second part of the hon. Gentleman's question is no. As for the first part, the powers that the Assembly will have are the powers that I currently exercise. They will be published before the Second Reading of the substantive Bill, and the full details will be provided in the transfer order before the final passage of that Bill through both Houses of Parliament.

Mr. Tim Collins (Westmorland and Lonsdale): As the Secretary of State is proposing that 40 members of the Assembly should have constituencies, and hence presumably constituency postbags and surgeries, while 20 of them will have none, how can he possibly say that every member will have equal status?

Mr. Davies: It is a matter of fact that 60 persons will sit in the Assembly. Each and every one of them will be responsible to the constituents who elect them. But some will be elected by the first-past-the-post system, with the equivalent of parliamentary constituencies, and others will be elected on the party list system, responsible for representing a wider European constituency. The hon. Gentleman may be looking for symmetry, but, over the hundreds of years that the British constitution has been developing, it has never exhibited symmetry. The hon. Gentleman is wasting his time if he tries to achieve it now.

Mr. Mackinlay: May I tell the Secretary of State why I, an English Member of Parliament, welcome these proposals? I do so because they relate to the good governance of the United Kingdom, and they may herald electoral reform for the rest of the United Kingdom. When my right hon. Friend talks to Cabinet colleagues, will he bear in mind the need to argue that we must not stop at devolution for Wales and Scotland, important nations though they are?

We need constitutional symmetry throughout the United Kingdom, to deal with the problems of quangos and all the other undemocratic and unaccountable institutions that we have had to endure. There is also the problem of secondary legislation that goes through this place unscrutinised—that particularly affects England. Will my right hon. Friend encourage his colleagues in Cabinet to devolve power throughout the United Kingdom, and to see this as but an important first step for us all?

Mr. Davies: I most certainly will. It is the Government's policy to bring about devolution for Scotland and Wales, and I hope that the bipartisan approach to Northern Ireland will continue—although I am at a loss to understand why the Conservative party thinks that an Assembly for Northern Ireland would unite the United Kingdom but an Assembly for Wales would divide it. Once we have regional government in Scotland, Wales and Northern Ireland, I hope that we shall proceed to strong regional government in England.

We also need more constitutional reform. The proceedings of this House and of the House of Lords could do with a great deal of improvement—as could many other practices in what passes for our democracy. A new broom is called for.

Mr. Ian Bruce (South Dorset): I am grateful to you, Madam Speaker, for calling me. Annex B shows clearly that the right hon. Gentleman will be able to take his top slice off the Welsh block grant to pay for his own office, but that the rest of the block grant can be vired by the Assembly—his statement has also made that clear.

If this House votes a certain amount to local government, will it be wholly in the hands of the new Assembly to decide which councils get how much? If south Wales makes up two thirds of the membership, will it be able to vote itself more for its local authorities than north Wales will get?

Mr. Davies: The hon. Gentleman asked three questions. The answers are yes, yes and yes.

Dr. John Marek (Wrexham): I welcome the statement. I read on page 25 of the White Paper that regional committees will be established to ensure that the needs of all parts of Wales will be heard. That is all right as far as it goes, but my constituents will be asking whether there are any assurances that a fair share of resources will be provided for north Wales and not be sabotaged by the majority of south Wales.

Mr. Davies: I hardly think that that is so. There is no guarantee at the moment—with myself as, as it were, a south Walean Member of Parliament—of ensuring that there is a fair distribution of resources. That is why I have been so anxious to encourage a good working partnership with all local government.

On the previous two occasions that I have met the 22 leaders of Welsh local government, I have assured them that I want to develop a mutually agreed formula that will ensure that resources are fairly and equitably shared among all parts of Wales. Our system of proportionality, which is included in the White Paper, will ensure that all parts of Wales and all political parties are properly represented. The committee system that we are proposing will ensure that the committee of north Wales—I understand the vulnerability that my hon. Friend expresses on behalf of his constituents—has a clear and distinctive voice for its people.

Ms Jackie Lawrence (Preseli Pembrokeshire): Does my right hon. Friend agree that the proposals in his statement will ensure that a situation such as the one that arose before, when the former Secretary of State for Wales, the right hon. Member for Wokingham (Mr. Redwood), returned £100 million that was meant for Wales to the Treasury to support his right-wing credentials rather than spending it on essential infrastructure and investment in Wales for the people of Wales, will never happen again?

Mr. Davies: My hon. Friend is absolutely right. Hon. Members seem to have forgotten that lesson rather easily. Over the past 17 years, we have had Conservative rule in Wales, which has been unacceptable to the majority of people. We now have to take the opportunity of a new Government who have a clear majority to ensure that the events that have been visited on us due to the unbridled ideology of the Conservative party—quite unsuited to our needs, circumstances or aspirations—are never allowed to reoccur.

Mr. David Hanson (Delyn): I welcome the commitment given in the statement to regional committees, particularly for north Wales. Will my right hon. Friend give some indication of how that regional committee will relate to the rest of the Assembly? May I also take this opportunity to welcome the redundancy of several of my constituents who hold lucrative positions on quangos but who have never received a vote in Wales, and who sit on those bodies only because they have Conservative party cards?

Mr. Davies: My hon. Friend makes a powerful point, and I am grateful, as ever, to receive his report. The Under-Secretary of State for Wales, my hon. Friend the Member for Neath (Mr. Hain), will be holding a press conference in north Wales on Thursday, when he will go into more detail about the north Wales committee. It would probably be for the convenience of the House if I were to leave it at that for the moment.

Mr. Huw Edwards (Monmouth): Does my right hon. Friend agree that the voting system that he has proposed will ensure that we have fair representation in the Assembly and a more consensual form of politics, which deserves to be supported by all parties in Wales—not least the Conservative party, which secured no seats but received 20 per cent. of the votes at the general election?

Mr. Davies: I agree. Rather than standing outside the locked doors of the Welsh Grand Committee pleading to be let in, the hon. Member for Ribble Valley (Mr. Evans) would do rather better to try to persuade the Conservative party to adopt a policy of proportional representation. The proposals that we are putting forward commanded the unanimous support of the Labour party in Wales. I am pleased that they received also the support—qualified though it is—of both the Liberal Democrats in Wales and, as I understand it, Plaid Cymru. That shows that it is possible to build a cross-party consensus, which points the way to more mature, sensible politics.

Mr. Oliver Letwin (West Dorset) *rose—*

Madam Speaker: It is my impression that the hon. Member for West Dorset (Mr. Letwin) did not enter the Chamber until the Secretary of State either had finished his statement or was well into his delivery. I make it clear to new Members that I call upon hon. Members to question a statement only if they have been in the Chamber to hear that statement. That is common sense, and it is a courtesy to whoever makes the statement.

Mr. Letwin: Madam Speaker, I was in the Chamber for the Secretary of State's statement and during the observations by the shadow Secretary of State. I then left the Chamber for a few seconds, and returned.

Madam Speaker: In that case, I shall call the hon. Member for West Dorset to ask a question. However, I assure hon. Members that I have very good eyesight,

[Madam Speaker]

and that I make a note of all those who leave the Chamber, as I did in the case of the hon. Member for South Dorset (Mr. Bruce).

Mr. Letwin: In light of the Secretary of State's various remarks about sovereignty, are there any circumstances in which primary legislation or powers given to the Secretary of State or others under primary legislation would be used to overrule decisions of the Welsh Assembly?

Mr. Davies: It is a matter of fact that the House is sovereign. It can do whatever it wishes, and it may be that, from time to time, it will override decisions taken by the Welsh Assembly. I think that that would be bad for government and bad for democracy. However, as long as our constitutional arrangements exist in their present form—and our proposals are compatible with the House's remaining sovereign—that is what will occur.

Mr. Tam Dalyell (Linlithgow): My hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) contributed a highly pertinent article to *The Times* on, among other things, Welsh representation in Europe. Throughout his statement, my right hon. Friend referred to the voice of Wales in Europe. Will he be clear how that will differ from the existing arrangements?

Mr. Davies: We do not have a Welsh Assembly at present, and it will clearly make a difference when we do. When that Assembly is created, a provision will allow its executive members to discuss with the British delegation the views taken by that delegation and the arguments presented on behalf of the United Kingdom. If there are matters of particular relevance to Wales and to Scotland, when there is a Scottish Assembly, the Assemblies could assist the respective Secretaries of State—who have particular territorial responsibilities—in reflecting the views of Scotland and Wales more vigorously.

Mr. Nigel Evans (Ribble Valley): Does the Secretary of State intend to stand for the new Assembly, if it is created? He might as well do so, because, after he has given away most of his powers to that Assembly, he will not have much of a role to perform here as Secretary of State for Wales.

Will the right hon. Gentleman confirm also that, including the cost of the referendum, the new Assembly will cost £42 million in the first year, plus £20 million for each successive year? Therefore, in its first four-year term, the new Assembly will cost more than £100 million.

Does the Secretary of State agree that the people of Wales will want that money not to be wasted on a new Assembly building, but spent on improved housing? Does he agree that they will want to see that money spent not on new politicians, but on more teachers for Welsh youngsters; not on more bureaucracy and civil servants, but on more hospitals and nurses? If a spare £100 million is sloshing around in the system, let it be spent on providing real services for Wales, and not just on another tier of government that will cause discord and conflict among Westminster, the Assembly and local authorities.

While the prospect of seeing the Secretary of State silenced is very attractive, the £100 million cost to the taxpayer is too much. The Assembly would be not "A Voice for Wales" but a vice on Wales, which would squeeze money out of services and spend it on new, useless and wasteful bureaucracy.

Mr. Davies: I can now understand why the leader of the Conservative party has decided that the hon. Member for Ribble Valley (Mr. Evans) shall not lead for the Conservative party in Wales. The right hon. Gentleman has appointed Jonathan Evans, who failed to win a seat in the House at the last election, as the Conservatives' official spokesperson in Wales.

As to my own political future, that is a matter that I shall discuss with my party and my constituents. I assure the hon. Gentleman that, if he and I were to stand for the Assembly, I think that my chances of election would be rather greater than his.

We do not propose to construct a new building for the Assembly, or to create more bureaucracy in a democratic Wales or more civil servants; so I am afraid that the hon. Gentleman's figures do not add up.

Points of Order

4.45 pm

Mr. Ian Bruce (South Dorset): On a point of order, Madam Speaker. I apologise to you, and thank you for calling me during questions on the Welsh statement. I left the Chamber during the statement to get a copy of that statement, which became available to hon. Members as the Secretary of State rose.

I consulted the White Paper, and asked a question which, because of the way in which it was framed, the Secretary of State answered with the words "yes, yes and yes". Hon. Members asked many questions about the White Paper that could be answered simply by reading that document. Hon. Members often do not have the paperwork to which our constituents assume we would have access.

Would it not be simpler to make the papers available five minutes before a statement is delivered, or allow attendants to bring the papers into the House? We could then see what is being said, and perhaps matters could progress faster.

Madam Speaker: It is for the Secretary of State to determine what papers will be made available. The hon. Member for South Dorset (Mr. Bruce) is an experienced parliamentarian, and I think that he made the point himself: hon. Members did not question the White Paper today. We will debate that document later. Today, we questioned the statement that was made by the Secretary of State. Therefore, the hon. Gentleman had no reason to leave the Chamber to get a copy of the White Paper, which will be debated in a few days' time.

Mr. Laurence Robertson (Tewkesbury): On a point of order, Madam Speaker. Does the Secretary of State for Wales understand hon. Members' concern about his declaration that Parliament will remain sovereign but will not have the opportunity to question someone who supposedly represents Wales—the Secretary of State—because the Assembly will seemingly have sovereign powers in Wales?

Madam Speaker: That is not a point of order for me: it is a point of argument. When we debate the White Paper, perhaps I shall call the hon. Gentleman and he might put those questions to Government Front Benchers.

Mr. Tim Collins (Westmorland and Lonsdale): On a point of order, Madam Speaker. Can you provide some guidance as to the normal seating arrangements in this place? I know that you gave a ruling on that subject a few weeks ago. I understand that hon. Members who support the governing party sit on the Government side of the House. Given that the leader of the Liberal Democrats has joined the Cabinet Committee, should not Liberal Democrat Members sit with Government Members?

Madam Speaker: Hon. Members may sit where they think they will be most comfortable.

Ann Clwyd (Cynon Valley): On a point of order, Madam Speaker. I am sorry to try your patience yet again, but, before I apply for an Adjournment debate on the matter of the arms trade with Indonesia, I wonder whether you have any information as to whether the Government intend to make a statement on what appears to be a change of policy regarding the arms trade with that country.

Madam Speaker: I must disappoint the hon. Member. No, I have not been informed by the Government that they are seeking to make a statement on that matter—although I heard the hon. Lady on the radio at 1 o'clock this afternoon.

Water Charges (Amendment)

4.48 pm

Mr. Colin Breed (South–East Cornwall): I beg to move,

That leave be given to bring in a Bill to amend the Water Industry Act 1991 to prohibit the use by water undertakers of rateable values as a basis for charging from 31st March 1998; to provide for charging by water undertakers in accordance with council tax bands; and for connected purposes.

It is a well-known fact that, while we may do without food—and some of us could certainly eat less—no one can do without wholesome water for very long. That most essential commodity is often taken for granted. Since the privatisation of the water authorities, for a variety of reasons, water and sewerage charges have risen relentlessly and continually. They now represent a significant part of most household budgets—indeed, some families in my constituency spend almost 10 per cent. of their net income on water charges.

The original charging system, which was based on the old rateable values of properties, will cease to be used after April 2000. The Government are now undertaking a review—among many other reviews—of the water charging system in England and Wales. In Scotland, however, the council tax banding system is already used to calculate sewerage and water charges. Surely what is good enough for Scotland is good enough for England and Wales.

During recent years, the installation of water meters, mainly in new properties and through schemes conducted by the water companies themselves, has reached less than 10 per cent. of households in England and Wales. Thus more than 90 per cent. of households are still paying water charges based on the old rateable values of their property. Some of those figures are now 25 years old. Water and sewerage charges must be paid for, but the basis of such charges must be fair and have widespread support. There should be no compulsory water metering for essential household use, but conservation demands that any charging system should promote the efficient use of water, and thus metering for heavy users of non-essential water must be an integral part of any future charging system.

The existence of monopoly suppliers in each region for such an essential commodity means that national charging systems must be fair, not only among individual customers of each water company, but among the companies themselves, so that the huge disparities between water charge payments in the south-west and those in most other parts of the country do not continue. A new system for charging must take account of that innate unfairness, particularly to those living in the south-west of England. The charges levied by South West Water have risen by some 75 per cent. in real terms from 1989 to 1997, while the average rise throughout the rest of the country was only 42 per cent. Not only does the south-west pay the highest water charges, but it is an area of households with low incomes and above average unemployment, and it has more elderly residents than most other areas.

The Bill proposes that the future charging system for unmetered water should be based on council tax bands, with meters being available as a choice to the consumer. Indeed, there should be an ability to switch from one form of charging to another, to allow for householder preference. The introduction of a system of charging based on council tax bands would be well understood by customers. It would be cheap and easy to install and to administer, and if properly structured, would broadly reflect the use of water. It is likely that it would promote metering in bands E to H. Customers in bands A to D would probably see a reduction in their bill. Such proposals would, therefore, encourage conservation by high users, while protecting low-income consumers from the present high charges that are levied on them.

A system based on council tax bands could also include the ability to give single-adult households a 25 per cent. discount, and households on very low incomes a rebate, in the same way as under the council tax system. That would provide a much fairer distribution of the charges that have to be made, without deterring further metering. There would be administrative savings, as councils could collect water charges on an agency basis. That would cut out duplication, and householders would be able to see clearly the relative costs of different local services. It has been estimated that the complete metering of all properties could take up to 20 years and cost over £2 billion. Thus an alternative system must be adopted in the period between 2000 and that time.

The Bill could make a substantial difference to many people, without removing the option of metering, and at the same time tackle the inherent unfairness in the present system. I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Colin Breed, Mr. Paul Tyler, Mr. Matthew Taylor, Mr. Andrew George, Ms Candy Atherton, Mr. A. J. Beith, Mr. Peter L. Pike, Mr. Dafydd Wigley, Mr. Elfyn Llwyd and Mr. Simon Hughes.

WATER CHARGES (AMENDMENT)

Mr. Colin Breed accordingly presented a Bill to amend the Water Industry Act 1991 to prohibit the use by water undertakers of rateable values as a basis for charging from 31st March 1998; to provide for charging by water undertakers in accordance with council tax bands; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 23 January, and to be printed [Bill 53].

Orders of the Day

Social Security Bill

Order for Second Reading read.

Mr. Deputy Speaker (Sir Alan Haselhurst): I should announce that the amendment in the name of the right hon. Member for Yeovil (Mr. Ashdown) has been selected for debate.

4.54 pm

The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman): I beg to move, That the Bill be now read a Second time.

Reforming the welfare state to meet the needs of the 21st century is one of the biggest challenges facing the Government, but after fewer than three months we have already made significant progress. The Bill is another important step forward.

One of the key challenges that we face in reforming welfare is to build a modern, fair and efficient welfare service that commands the support of everyone in our society. The way in which social security is delivered at the moment is resented by the public who pay for it, the clients who use it, and the staff who run it. The Bill lays the foundations for transforming the future delivery of welfare and eradicating the failures of the past.

The Government are committed to the creation of a modern welfare state to help rebuild a strong and cohesive society—a society in which opportunities and responsibilities are common to all, a society in which everyone has a stake and no one is excluded. We are redefining welfare as an active hand-up, not just a passive hand-out of benefit. We are creating a modern welfare system, which will encourage financial independence while simultaneously promoting social cohesion and well-being; which actively supports work, saving and honesty; and which helps to tackle unjustifiable social and economic inequalities.

For too long, the welfare system has excluded people from the rest of society, writing them off to a life on benefit, and ignoring both their aspirations and responsibilities. Now we are changing the system, so that it actively helps people to meet their responsibilities to themselves and their families.

We have already made a start. We said that we would offer a new deal to help the young and long-term unemployed to get off benefits and into work. We are providing a new deal for the young and long-term unemployed. We are doing more. Lone mothers have previously been excluded from those opportunities, as have those with ill health or disabilities. We are extending opportunities to them, too—I launched the first phase of our new deal for lone mothers only yesterday. We said that we would develop a national child care strategy to help parents, especially women, to balance family and working life. We are implementing a radical programme of measures that make child care an integral part of not only our social policy but our economic policy.

We said that we would create a new framework to enable everyone—including those who are caring for people at home, perhaps an elderly or disabled relative, and those on low or intermittent incomes—to enjoy a dignified retirement. We are conducting a wide-ranging review to achieve a consensus for change, to ensure that everyone has the opportunity to enjoy a decent and secure retirement.

We also said that we would crack down on dishonesty in the benefit system. We are taking further action to identify the true level of fraud and pressing ahead with tough measures to tackle it.

The steps that we have taken signal a radical new approach to welfare, but for too many people, the system by which social security is delivered is fragmented, reactive, inflexible and totally confusing. People are irritated when they have to provide the same information time and again to different parts of the Department of Social Security. They are frustrated that nobody seems able to bring together all the help, information and advice that they need in one place. They are bewildered by the complexity involved in claiming benefit and sorting out child maintenance, with the cumbersome forms, different types of decision at different stages, and letters and explanations that are legalistic and hard to understand. They are exasperated by the length of time that they have to wait for bureaucratic reviews and appeals.

It is not just the public who are irritated, frustrated and exasperated with the social security system. The staff are, too. They find it difficult to deliver the help that people need because the system does not let them. I am determined to overhaul the system that we have inherited. I want to develop a modern, integrated system that is simpler, streamlined and more efficient, and which strikes the right balance between people's rights and their responsibilities. However, the current legal structure ties us into the current problems and that is why the Bill is necessary. It lays the foundations for modernising that service.

The Bill will pave the way for a modern, integrated service to claimants. At the moment, people are often asked to provide the same information or report the same change in circumstances several times over to different parts of the social security system. If they have told one part of the Department and not others, they risk being overpaid and having to pay back hundreds of pounds months later. That wastes the time of the public and the Department, it wastes taxpayers' money and it delivers bills that people cannot afford to pay.

People have the responsibility to provide us with accurate and up-to-date information. We want each person to be able to give us that information just once, in a way that is convenient for them, and for us to be able to advise them how that affects all their dealings with the different parts of the Department. The Bill enables us to develop modern business processes and to maximise the benefits of modern information technology in order to do that.

The Bill also creates a much simpler process for deciding claims. At the moment, the system is incredibly complex. Currently, 13 different types of decision are taken by six different types of decision maker. There are adjudication officers, child support officers, social fund officers, adjudicating medical practitioners, specially qualified adjudicating medical practitioners and officers acting on behalf of the Secretary of State. Sometimes, a number of people wearing those different hats will be involved in a decision relating to the benefits of one person. Sometimes, one person can be wearing a number of different hats depending on what they are doing in the

[Ms Harriet Harman]

Benefits Agency on that day. That is not acceptable. Often, mistakes cannot be put right quickly, even if they are the result of a simple error, without going through a lengthy appeal process. Once a decision is made, everyone is locked into it. Let me give an example.

Take the case of Enid, an elderly lady who made a claim to meet the cost of her late husband's funeral. Her claim was refused because of the savings that she had. When she appealed against the decision not to award her any money at all, the adjudication officer realised immediately that a mistake had been made and that she was entitled to some, but not all of the money that she had claimed. However, even though the adjudication officer and Enid both then knew that she was entitled to some money, she could not get it just because she was not entitled to the full amount that she had claimed in the first place. The only way that she could get the money was either to drop her appeal and start again or to go through the lengthy process of appealing further to a tribunal. The result was that she had to wait for more than three months before she could get the money to which everyone knew she was entitled, which created frustration all round.

We want decisions on people's claims to be provided quickly, correctly and in a way that is easy to understand. The Bill will reduce the number of different types of decision maker from six to just one, who will act on behalf of the Secretary of State.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): All hon. Members will support the right hon. Lady's attempt to increase expedition and dispatch, but does she acknowledge that there is an independence to the current system, and, shot through with anomalies though the system may be, some people are worried that the Bill will erode that independence? Will she address that point?

Ms Harman: The hon. Gentleman raises an important issue. People applying for benefits want accountability for decisions made when they first make the claim and, if their claim is not accepted, they want an independent appeals process. The Bill seeks to guarantee both—an initial system for making a decision that is accountable, focused, clear and uncomplicated, and then the opportunity for everyone who wants to challenge that decision, which will be made on behalf of the Secretary of State rather than by a plethora of different people wearing different hats or by the same person wearing different hats, to appeal by means of a system that they can understand and which is genuinely independent. Therefore, we hope to deal with both those points.

Mr. Iain Duncan Smith (Chingford and Woodford Green): While the right hon. Lady is on the case of Enid and her problems, will she deal with clause 70, under which someone in Enid's position, who may not be able to discern exactly when her husband died, will have her entitlement to benefit for a past period curtailed from three months to one month, which will directly hurt and affect that person? Will the right hon. Lady explain how that will work?

Ms Harman: It is not that Enid did not know when her husband died. She knew when her husband died, but she claimed the full amount when she was entitled to only part of it. Her claim for the full amount was refused and she appealed, when she should simply have been allowed to claim a partial amount.

Mr. Simon Burns (West Chelmsford): Returning to clause 70 and the reduction from three months to one month for a backdated claim, when a person is bereaved, particularly having been married for many years, shock and unhappiness may mean that she does not make a claim in time. In those circumstances, particularly for elderly people who have lost a loved one after many years of marriage, may one month not be enough time? Should not there be more flexibility rather than the draconian measure in clause 70?

Ms Harman: We do not want a system that does not help a bereaved person to make a claim at the right time, but which allows a claim made 12 months late to be backdated. We want people to have the right information at the right time. In that respect, bereavement counselling is important. Data need to be shared, so that when someone dies, the DSS can ensure that the right benefits are received there and then, rather than that the system should go wrong, resulting in claims having to be backdated.

The Bill will reduce the number of decision makers from six to just one, who will act on behalf of the Secretary of State. It will allow decisions to be processed automatically, leading to the quicker receipt of the accurate amount of benefit, and it will enable staff to take an early second look at disputed decisions and to correct any errors there and then, without affecting the claimant's right to have an appeal heard by a tribunal if he or she is still not satisfied.

Mrs. Maria Fyfe (Glasgow, Maryhill): Will my right hon. Friend comment on clause 2? I am concerned in case inaccurate information is fed into the computer and claimants do not realise that they have an opportunity to dispute a decision. The resolution of such disputes may take some time. What processes would be in train to cope with such a problem?

Ms Harman: It is important at all times to ensure that the receipt of information is correctly recorded and that it is correctly acted on, because people should have to give the information only once. The Bill provides the legal framework to allow data sharing between different parts of the Department. My hon. Friend is absolutely right: further work needs to be done to improve the process of checking information and the quality of decision making. That is one part of the jigsaw puzzle. Ensuring that the information given is correctly recorded and that the right decision is made is very important.

Audrey Wise (Preston): I understand and accept the need to use advanced technology, but the terminology used in the Bill suggests that the decision will be made by the computer. That causes me considerable anxiety. I do not believe that we should use computers as a substitute for civil servants. The Bill does not say that decisions will be made by civil servants aided by the computer: it refers to decisions made by the computer.

Ms Harman: That is a legal technicality to allow computer printouts to be used in court proceedings.

I assure my hon. Friend that we are trying to harness new technology to provide a better service for people who use the social security system and for the staff who work in it.

I was in the benefits office in Brighton the other week, where I saw a piece of carbon paper. There was new technology on the desk of the person assessing the claims; she was writing letters using carbon paper. I do not lead a sheltered life, but it is a long time since I have seen a piece of carbon paper used in what is supposed to be a modern, up-to-date, efficient service. I said to her, "Is that a piece of carbon paper?" and she said, "Yes. I'm very lucky, aren't I, it's a new piece of carbon paper and everyone else in the office is trying to get it off me."

We cannot run a modern, efficient service by old-fashioned work methods, because that undermines the quality of people's work. We must have a sound legal framework to ensure that we improve the quality of service. The thrust of the Bill is to provide that legal framework and to give people who claim benefits a better service, so that instead of resenting the system, they support it. That is not the present position.

We want to enable staff to take an early second look at disputed decisions, and to correct any errors there and then rather than wait for the appeal process. At the moment, decision making on applications for budgeting loans from the social fund is unnecessarily complex. When the social fund was introduced, the idea was that it should be a simple, discretionary application of common sense, but it has not turned out like that. The current system is confusing for customers and time-consuming for staff.

I shall give an example of a family on benefit, whose washing machine breaks down and who cannot afford to get it fixed. They apply for a budgeting loan of £80 for the repair. It is a simple matter, but they must complete a 20-page application form. They have to answer questions that may have nothing to do with their application, because by statute the form must cover both loans and grants, each of which has different requirements for an award. Staff are required by statute to consider which member of the family the washing machine is for, why and how badly it is needed. Staff are also required by statute to use their discretion to judge whether the requirements for a grant rather than for a loan have been satisfied, even though the applicant has not applied for a grant. Only when they have decided that the requirements for a grant have not been satisfied can they use their discretion to judge whether the original loan application is of high enough priority to receive an award.

The Bill will enable the current confusing system to be replaced with a modern fact-based approach. That will enable staff to reach quicker decisions, which are easier for customers to understand.

The Bill will enable us to provide a streamlined and straightforward system for claimants who appeal against decisions to an independent tribunal. I know that many hon. Members are concerned about the independent appeal tribunal system. At the moment, the system is slow, complex and cumbersome. Appeals take on average six months to be resolved: many take more than a year, and some take two and a half years.

The week before last, I sat in on a number of tribunals. The first person whom I sat next to in the waiting room was a woman with severe rheumatoid arthritis. She had waited two and a half years for her appeal against the decision on her benefit to be heard by the appeal tribunal. She had no idea why it had taken so long. She was suddenly called in at short notice. Appeals take far too long.

Each year, 20,000 people appeal against a decision on their claim for income support, even though they have no chance of success, possibly because they already receive the full amount and no further award can be made. Those 20,000 hopeless appeals proceed through the system and delay other cases, at a cost of £5 million a year. They go to a three-person tribunal, only to be told that they never had a chance because the law had been clearly applied to the undisputed facts of their case.

There is no independent right of appeal on national insurance decisions, except to the High Court on a point of law, which is inaccessible to most people. We want people to have access to a quick, straightforward process for appealing disputed decisions. The Bill will rationalise and clarify the appeals procedure and significantly reduce waiting times. If any hon. Members are not convinced of the need to reduce waiting times, I suggest that they talk to anyone in an appeal tribunal waiting room and discover the problem for themselves.

The Bill will replace the five separate tribunal jurisdictions. We do not need five: we need only one, but we have the social security appeal tribunal, the child support appeal tribunal, the medical appeal tribunal, the disability appeal tribunal and the vaccine damage tribunal. They are held in the same rooms in the same building, but they wear different hats. We want to replace those five separate tribunal jurisdictions with a single independent body.

We want to remove the rigid requirement for all cases to be heard by three-person tribunals, and instead enable the president of the appeal tribunal to draw additional members from a panel of experts if and when the need arises. We want to allow tribunals to be able to correct their own mistakes, and thus cut out the time wasted when cases go to commissioners unnecessarily. If the tribunal and the appellant realise that something has gone wrong and that it can be sorted out, why require cases to go to the commissioners? Mistakes should be put right there and then. We want to introduce a new right of appeal against decisions in respect of national insurance contributions. That is important, because it is quite wrong that there is no appeal except to the High Court.

The proposals in the Bill will also enable those 20,000 hopeless appeals each year to be sifted out and dealt with quickly, as they are in all other jurisdictions, such as the county court and industrial tribunals. We do not want those appeals to delay cases that have a genuine ground for appeal. In future, any hopeless cases will be identified early, and the people concerned will be given a full explanation of the decision at first instance and why it was taken. If they are dissatisfied with that explanation, their appeal can go forward, but the president of the independent appeals tribunal service will be able to choose to constitute a one-person tribunal to decide the appeal if he or she thinks that that is appropriate.

The flexibility of choosing between a three-person, two-person or one-person tribunal is necessary. We do not want to take away people's right to appeal: we want to guarantee their right, but if there are no disputed facts and the law is clear—for example, they have received the maximum amount of benefit—we want to ensure that

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the appeal is heard by one person who can sort out the problem. That will enable such cases to be dealt with more speedily in future. There is no point people going through the whole appeals procedure, perhaps waiting more than two years for an appeal in front of three people, when there is no dispute over the facts and their claim has clearly been decided correctly.

When people are told by tribunals that their appeals have failed and that they never had a chance of success in the first place, they sometimes say, "I wish that someone had told me. If they had, I would not have wasted two years waiting, and taking the bus to the tribunal." It is unacceptable that people are routinely being kept waiting up to two years for their appeals to be heard, and I am determined to improve the system to ensure that, in future, they receive the fair and swift service that they have a right to expect.

Not only will my proposals streamline the current process; I shall assume personal responsibility for the administration of the appeals system. I shall set demanding targets to shorten the time that it takes for appeals to be heard, and for appellants to be told the outcome. When we have set up the new tribunal service and the new administrative system that will underpin it, I shall publish those targets and report on the results. People must know that there is a time limit within which appeals will be heard, and we must ensure that that limit is stuck to. At present, there is no time limit.

The essential independence of the current system will, however, be reinforced. The Lord Chancellor, as head of the judiciary, will appoint not only the president of the appeal tribunals but all the members of the panel. Currently, the Lord Chancellor appoints the president, who then appoints the panel members. All the measures that I have described will help us to rationalise our dealings with claimants, providing them with a simpler, more streamlined service and cutting out unnecessary duplication and frustrating delays.

Let me now refer to the second major strand of the Bill, which focuses on reinforcing people's responsibilities in relation to the welfare system. The national insurance scheme is based on rights and responsibilities: it provides people with rights to contributory benefits and, in return, expects individuals and employers to meet their responsibility to make contributions in order to fund those benefits. We expect everyone to meet their responsibilities, and we want to help them to do so. At present, however, a minority of employers are deliberately shirking their responsibilities. Those employers are not playing fair with their employees, who lose out on their benefit rights, and they are not playing fair with the large majority of employers who pay their fair share.

The Bill will make those employers pay up. It will make national insurance contributions payable on non-cash payments given to employees through restrictive covenants, which have become an increasingly common method of avoiding contributions. It will replace the current outdated and virtually unused criminal offence of non-compliance with cash fines similar to those imposed by the Inland Revenue for tax evasion. We are aligning the two systems. The Bill will provide for new, tougher criminal penalties in serious cases of deliberate evasion and fraud. We need to distinguish between those who are simply not paying and would be encouraged to do so by the introduction of fines, and those who are involved in heavy fraud. We shall also allow the Contributions Agency to take distraint action to recover debts. That, too, aligns the contributions recovery process with the Inland Revenue's tax recovery process.

Those measures will make people who would otherwise try to avoid meeting their responsibilities think twice. In return, we are making it easier for employers to pay their fair share, by aligning the ways in which certain benefits and expenses are dealt with in the tax and national insurance systems, removing the need for separate record keeping and accounting for national insurance purposes.

Three further changes in the national insurance scheme that are not currently included in the Bill will be introduced in the form of Government amendments. The first will prevent funded unapproved retirement benefit schemes, which are little more than deferred cash bonuses, from being used for the avoidance of national insurance contributions. The second will make it easier for national insurance contributions to be charged on the provision of vouchers by employers who pay their employees by means of such vouchers rather than cash. I call that the Great Yarmouth amendment, because it was in Great Yarmouth that it was brought to my attention by two hon. Members—one was my hon. Friend the Member for Great Yarmouth (Mr. Wright)—that the owners of a residential care home for the elderly were paying their staff £60 a week in cash, an amount just below the national insurance contribution limit, and £70 a week in Asda vouchers. The intention was clearly to avoid national insurance contributions.

Under the current rules, payment in Asda vouchers rather than cash enables people such as the owners of that home to avoid their national insurance liability, thanks to the previous Government's abolition of the Truck Acts. Moreover, that method of payment means that the employees have no contribution records for the period of their employment, which jeopardises their rights to national insurance benefits. They will not have contributed to the contribution-based jobseeker's allowance, to incapacity benefit, to maternity allowance, to widows' benefit or to their basic state pension. The Bill will wipe out that practice. Child care vouchers, however, will remain exempt from national insurance contributions for the time being, because we are looking at their use in the context of our work on developing national child care strategy.

The third new amendment relating to national insurance contributions will align tax and national insurance rules with regard to company share options.

Given the relatively short time that has elapsed since the general election, we have not been able to work through the details of those measures in time for them to be introduced, but we shall be tabling amendments in time to allow full discussion in Committee and with outside organisations.

The Bill also provides for some changes that were announced in the Budget, and for a number of other minor changes. They include the setting of a new common time limit of one month for backdating benefit claims—

Ms Roseanna Cunningham (Perth): I am glad that the Secretary of State has finally got round to dealing with that. The previous Government proposed to reduce the limit to three months; but, unlike the previous

Government, the present Government—they are called new Labour, but perhaps they ought to be called new Tory—will include the backdating of council tax benefits and housing benefits in their proposal, a step that the previous Government would not take. I assume that they knew, as everyone else knows, that the limit for rent arrears and council tax arrears would not be cut to a month. How on earth will the Secretary of State explain to people who are caught in that trap how the Government can claim to be caring for them, when in fact they are stealing from them?

Ms Harman: We want to ensure that the system is not run on the basis of getting things wrong and then backdating to sort them out. We want to ensure that the system gets it right first time, and that there is a common backdating procedure for all claims. I am sure that the hon. Lady welcomes the fact that we did not proceed with the extension of housing benefit restrictions relating to single-room rent to those aged between 25 and 59. We have said that we shall keep within the Department's spending totals for the next two years. The proposal to which I referred is one of the measures that contributed to our being able not to extend those restrictions.

Ms Cunningham: The point is that, by refusing the backdating, the Government will put people whose rent or council tax arrears have built up into an appalling position. With respect, nothing has been said about how that will be dealt with in practice when it happens—as it will.

Ms Harman: The change will not come into force for some time. When it does, we shall be working to ensure that we get it right, and that we do not run the system on the basis of backdating.

We shall also complete the alignment of child benefit rates for lone parents with those for two-parent families, remove the unequal treatment of women who receive statutory maternity pay and those who receive maternity allowance when they subsequently claim benefit because of illness, and tidy up the national insurance rules in a number of areas.

Audrey Wise: Perhaps my right hon. Friend would care to explain more fully the reasoning behind clause 68, which I imagine is encompassed by her statement, which aligns child benefit payments for one-parent and two-parent families. Will she forgive me if I think that that is more in the nature of a cut for lone parents than anything else?

Ms Harman: The manifesto on which my hon. Friend and I were both elected was clear. It said that our approach would be to ensure opportunities for lone parents to work, and to ensure that they would be much better off than they and their children could ever be on benefit. In our first Budget, we have backed that manifesto commitment with a £200 million programme of opportunities for lone mothers. The research shows that, on average, lone mothers and their children are likely to be £50 a week better off in work than they are on benefit. Therefore, we have said that the way in which we shall proceed is through welfare to work and that we shall invest to provide lone mothers with opportunities, to ensure that they can do what they want to do.

It is important that we listen to what is being said by Gingerbread and the National Council for One Parent Families. Before the election and since our Budget and all these announcements, lone mothers have said that they want to move off benefits and into work, and that they want the opportunities that they have been denied for so long. They welcome our approach, which is to invest in opportunities and in child care, so that they do not have to struggle with living on benefit, but can have the same opportunities as everyone else.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): Does the right hon. Lady agree that her proposition is based on the premise that everything in the garden will be perfect? If the system does not get it wrong, it does not matter that people can claim only up to one month after a mistake, or that we are reducing benefits for single parents, because they are all going to have jobs. Does the Minister not realise that everything in the garden will not be fine, even after five or 10 years of new Labour, and that we need to cater for the situation where the Government or the system get it wrong?

Ms Harman: We are making the choices based on what people are saying to us about how they want the system to work. Lone mothers want to be in work, with in-work benefits. They do not want to depend fully on income support. Therefore, they support our choice of investment. They understand that we have said that we shall keep within the departmental spending totals for the next two years. They know that we are making choices and that the choice we have made is to invest in opportunities for lone mothers to go out to work, just as married women do. They back that approach. That is what lone mothers say to me in my constituency—they want to be better off than they can ever be on benefit and they want to support themselves and their children.

Therefore, we are taking a particular approach towards changing the system, which is not about distributing small amounts of money to an ever-growing number of people—the one in five households that have no one in work and are therefore supported by the other four households, living on low income and benefits, with a sense of hopelessness and despair. We have made a choice. We have set about the problem in our first Budget. Choices have had to be made, but we are investing to provide opportunities, and that is what those people—who, unlike us, are trapped on benefits—want. They want us to invest public money, to provide them with opportunities.

Ms Roseanna Cunningham *rose—*

Mr. Oliver Letwin (West Dorset) *rose—*

Ms Harman: I have given way to the hon. Lady and the hon. Gentleman, so I will conclude my comments. Perhaps they can catch Mr. Deputy Speaker's eye as the debate proceeds.

The Bill is a further important step in the radical reform of the welfare state. It lays the foundations for transforming the delivery of welfare. It marks the beginning of the end of the old system, which excluded people from the rest of society, writing them off to a life on benefit and ignoring their aspirations and responsibilities. It is the beginning of a modern service,

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which will actively help people to meet their responsibilities to themselves and to their families; a service that will command the support of social security staff, claimants and the public.

5.33 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green): This Bill is of great interest to the whole House, but perhaps its antecedents should be spoken about a little today. In welcoming the speech of the Secretary of State for Social Security and Minister for Women, I want to pick up on two or three points that she made.

The Minister for Welfare Reform (Mr. Frank Field): The Conservatives are not opposed to the Bill, then?

Mr. Duncan Smith: That is correct.

The Secretary of State talked about steps being taken to demonstrate a radical new approach to welfare. I agree, except on the point as to who actually raised the matter. The point about the streamlining and speeding up of appeals is well taken and well made. I do not think that any hon. Member would want to differ with it—*[Interruption.]* The Scottish nationalists can speak for themselves. I speak for the Conservative party. Again, her comments on administration changes were well made and well taken, but I refer her to the Green Paper. Its foreword, written by her predecessor, states:

"My aim is to modernise social security administration . . . This involves simplifying rules, changing traditional practices and making best use of new technology. It also means providing incentives for those who use our services to help us get things right. A key factor is the legal framework for decisions and appeal.

I believe that it is possible to improve significantly administration of our decisions and appeals arrangements."

Listening to the opening remarks of the Secretary of State, it seemed that, in some cases, it was almost as though they were plucked directly from that foreword—there were some embellishments, but they were essentially the same words.

When I examined the Bill when it first came out a week and a half or so ago, I thought for a moment, looking at the size of it and the number of clauses, that the Minister for Welfare Reform had sat with a wet towel around his head since the election, working out his great welfare reforms—that is what we were told that his great role was going to be. However, when I got into the Bill, it was a case of déjà vu. I began to see more and more things that we had already discussed before the election.

When I examined the 1997 Green Paper to which I have referred and re-read the Bill, I realised that this debate would be about the ground work and the pre-legislation work of my predecessor, my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley). In many ways, the Bill should be touted as the "Peter Lilley memorial Bill" because, in essence, that is what it is all about. The Secretary of State is remembering her predecessor in a most generous way. She is rather like the man who started shaving with an electric razor and liked it so much that he bought the company. She has had the great idea of swallowing hook, line and sinker a Bill that is sitting ready to go and then assuming ownership of it.

This reform package raises a number of issues. The key issue that underscores the whole Bill is the change programme. The big question is not just who owns the Bill, but whether the Secretary of State and the Government now fully support the change programme announced by my right hon. Friend, her predecessor, when he set in train the Green Paper and all the other aspects of change, many of which seem to flow through the Bill, although many others are still outstanding. Perhaps I could give the Secretary of State the opportunity to say that she agrees with the change programme as announced. If she wants to make that announcement now, perhaps she will do so. No? She does not want to intervene to make that clear.

Perhaps it is not surprising that the Secretary of State does not want to say that that is the case. After all, the change programme was designed to get 25 per cent. efficiency savings from the annual budget and my right hon. Friend the Member for Hitchin and Harpenden made it clear that

"significant further running cost savings cannot be achieved just by more pruning or working harder"

and that

"we should aim to absorb both inflationary increases in pay and costs and increasing workloads over the next three years. That means aiming to increase productivity by 25 per cent."

I assume, as the Secretary of State has produced this Bill today, that she will want to tell us—which she does not—that she agrees with that statement and that it is, therefore, now a driving force in the Department. I am sure that the Minister for Welfare Reform agrees with it. I hope that she will make it clear that she agrees with the basic principle and with the 25 per cent. efficiency savings target.

Perhaps I can put it another way. If the Secretary of State is not prepared to say that she agrees with that statement, and I am keen that she should make a statement about this, does she perhaps agree with her predecessor, the right hon. Member for Islington, South and Finsbury (Mr. Smith), who declared, when my right hon. Friend the Member for Hitchin and Harpenden made his announcement, that such measures would ensure that the benefit system

"is pushed past breaking point",

with

"fewer people, longer delays, more mistakes and a worse service"?

That was his direct response to the Green Paper proposals in February 1996. Does the right hon. Lady agree with her predecessor? It is important to know the Government's starting point for their changes to the social security budget and welfare generally. It is reasonable to ask the right hon. Lady whether she agrees with my right hon. Friend the Member for Hitchin and Harpenden or with her shadow predecessor, who clearly challenged many of the measures that she now proposes to implement.

The trouble is that, when Labour Members were in opposition, they publicly opposed such changes. We later discovered that, in private, there was some dispute on the matter. Perhaps I can put the question another way. One of the Secretary of State's colleagues, who was shadow Chief Secretary to the Treasury, wrote to her shadow predecessor, who is now the Secretary of State for Culture, Media and Sport, stating that, far from agreeing with him, such measures were likely to lead to problems with costs. However, it turned out that the Treasury team thought that the savings could and should be made. That was concluded

privately, behind closed doors, and was not made known to the public. Where does the Secretary of State stand on that and with whom does she agree?

Mr. Field: The hon. Gentleman has read that in the papers.

Mr. Duncan Smith: We may have read about it in the papers. We seem to learn most of what goes on in Government circles in the papers rather than in the House. Hon. Members must be careful because I understand that Madam Speaker has made it clear that perhaps a little more should be done in the House rather than through the papers.

Mr. Field: The hon. Gentleman is talking about history.

Mr. Duncan Smith: I hope that we are talking about history. It bodes ill for the future if such matters are not raised in the House.

The Government's approach is cynical. The Bill implements many of the changes that were proposed by my right hon. Friend the Member for Hitchin and Harpenden and were totally disowned by Labour Members when they were in opposition. In opposition, their public face said no to the proposals but, in government, they absorb, accept and even claim ownership of those proposals. It is important to see such measures being accepted, and we shall not oppose the changes because most of them are ours. I want to know exactly where the Government intend to go and how they propose to achieve the objectives that were set by my right hon. Friend.

We have some reservations about the Bill's detail and we shall raise those in Committee. However, I should like to flag up one or two matters to reserve our position in Committee and on Report. The Bill's detail contains some significant changes and we are concerned about those because the detail was not set out by my right hon. Friend the Member for Hitchin and Harpenden. Many of the Bill's key clauses and changes leave a large amount of the detail to be decided by regulation, and we are worried about that. When I was on the Government Benches, I was concerned about the amount of legislation that our Bills left to regulation. I spoke about that several times and I raise it again with the Secretary of State and ask her to look carefully at the matter.

The regulation process stops Parliament properly scrutinising changes that subsequently lead to problems. Much of the social security budget has always been plagued by the constant need for change because so much was wrong at the start. I ask the right hon. Lady to undertake to look at those areas which can be changed by regulation to see whether they can be changed only by legislation.

Tribunals currently consist of three people with a legally qualified chairman. The Secretary of State has spoken about that. The Bill intends that future panels will consist of one, two or three people to replace the legally qualified chairman. The analysis of responses by Roy Sainsbury in the Green Paper to which I have referred, states:

"In general, the decision making processes of the three-person tribunal were considered superior to decision making by a single person. And there was little support for the proposal to reserve legal expertise for appropriate cases."

The analysis also found that

"Legally-qualified decision makers had the advantage of training and experience in judicial methods, of considering and weighing the evidence, establishing facts, identifying the relevant law to be applied in the case, and making a decision based fully and only on the facts and the law."

I hope that that will be addressed by Ministers with responsibility for such matters and that they will weigh up those concerns and reservations.

I shall deal now with the key clauses relating to the extension of power and authority of the Secretary of State. No doubt Secretaries of State, and I suspect that the right hon. Lady is no exception, are pleased to have extra responsibilities. However, that raises serious questions, which need to be examined in detail. Clause 1 aims to transfer the functions of the adjudication officers, social fund officers and child support officers to the Secretary of State. Most benefit claims are decided by adjudication officers, who are legally independent of Ministers and departmental managers when they make decisions, although they are employed and managed by the agencies.

The Green Paper proposed that, in future, the law should not prescribe the status of the decision maker for different types of decision, and that has been reflected in the Bill. I am reasonably pleased to note that. However, concerns about the independence of first-tier decision makers do not seem to have been reflected in the Bill. I hope that that will be addressed. There are genuine concerns about independence. To maintain a high degree of public confidence, monitoring and reporting on the standard of decision making should continue to be carried out by a body that is independent of the social security agencies. I hope that the Government will address the concerns about that because they are felt not just by Opposition Members. I am sure that there will be representations from others about it.

There are also concerns about clause 10, which aims to simplify the mechanism for decisions to be reviewed and allows the Secretary of State to revise decisions. However, the Secretary of State's new remit, which includes the circumstances and the period within which a decision can be revised, is set to be determined by regulations. We shall examine the clauses to ensure that the shift to single-tier decision making enhances the system rather than causing chaos. Proper independence and accountability must remain.

I have mentioned the key clauses that we shall look at, but I am especially concerned about some other controversial clauses. I shall deal now with political elements, some of which the Secretary of State did not mention. The Conservative legislation which I have mentioned, and which started with the Green Paper and other documents as part of the programme for change, was vehemently attacked by Labour Members when they were in opposition. However, they are now driving through much of that proposed legislation. That is fine, but let us deal with some of the clauses that seem to be of greatest interest. I wonder how many of the Secretary of State's Back Benchers know about the degree to which Labour opposed such clauses before it came into government.

Clause 23 allows regulations to be made to permit benefit to be withheld temporarily where claimants have not provided the necessary information. Little has been said about that. The measure is designed to shift responsibility to the individual to prove a benefit claim and to suspend benefit, and it was condemned by Labour Members, including the Secretary of State. I gather that she argued that requiring more evidence to substantiate a benefit claim

[Mr. Duncan Smith]

was a hindrance, not a help, to receiving the appropriate benefit entitlement. She said:

"putting more responsibility on claimants for the correct completion of the form, and . . . requiring more evidence to support claims . . . will deter thousands more pensioners from claiming the money to which they are entitled."—[*Official Report*, 19 February 1997; Vol. 290, c. 947.]

My question for the right hon. Lady is, why the sudden change of heart? What happened between opposition and government to persuade her that what she said in February was fundamentally wrong? Why has she implemented what we said was right?

Clause 24 will allow regulations to enable the Secretary of State for Social Security to suspend benefits if people refuse to submit to a medical examination in prescribed circumstances. In opposition, Labour Members attacked the introduction of incapacity benefit. The new entitlement, which included a new medical test, was designed to ensure that it was received only by genuine applicants. We know about the problems and failures of much of that so far, especially in the appeals process. When the Under–Secretary of State for Social Security, the hon. Member for Manchester, Withington (Mr. Bradley) was in opposition, he said:

"The Government's sole motive is to save money . . . I assure the Secretary of State that, whatever he believes, the Labour party will oppose the Bill line by line vigorously in Parliament and throughout the country."—[*Official Report*, 24 January 1994; Vol. 236, c. 112-13.]

I shall deal in a moment with the issue of who saves money and the Bill's purpose. The right hon. Lady's respected colleague, the Secretary of State for Scotland, when he was shadow Secretary of State for Social Security, also criticised the nature of the Bill. I shall not go into the details of what the right hon. Gentleman said, but it is interesting to note Labour's position at that time.

Surely the Government's key aim in clause 24 is to save money. If so, what makes the present measure so different, so much less reprehensible than the attempt to save money in the other programme? I am intrigued about what the Minister will say when he sums up, and how he will square his present position against his previous position. Apparently, when he is not in government, saving money is not a good thing, but now that he is in government, it is a good thing. It is wonderful to see somebody turn round so easily, and we welcome any convert. In opposition, the Government were convinced, as ever, that such measures were wrong. Now they are in government, they have changed.

Clause 35 allows regulations to be made that will permit a local authority to suspend payment of housing benefit and council tax benefit in prescribed circumstances, especially where entitlement is in doubt pending resolution of a query or appeal. The principle of the suspension of benefit was regularly attacked by those now in government when they were in opposition. When the present Secretary of State for Culture, Media and Sport was shadow Secretary of State for Social Security, he attacked the suspension of benefit for immigrants appealing against rejected claims for asylum. That is much the same principle. We put the asylum proposal forward, then this other, and we did not manage to enact the second. However, the Secretary of State is now taking it through.

As I said earlier, we shall not oppose the measures because we originated them, before our departure from government on 1 May. None the less, they were endlessly and constantly opposed by the right hon. and hon. Members who are now in government. *[Interruption.]* I do not necessarily draw the Minister for Welfare Reform into all my comments. I may come to that later. The Secretary of State and many of her right hon. and hon. Friends on the Treasury Bench have to— *[Interruption.]* The Minister should quit while he thinks that he is ahead, because he ain't. I have more to say.

We need a lot of answers. That applies in particular, I suspect, to the Secretary of State's hon. Friends on the Back Benches. They should be looking at the Bill and asking themselves how, if the Labour party opposed those ideas so strongly in opposition, it can suddenly love them so much now that it is in government.

There was some confusion about clauses 70 and 68—

Ms Gisela Stuart (Birmingham, Edgbaston): As one of those new Members that you are so terribly concerned about, may I assure you that there is a difference between saving money for the sake of it and saving money in a system that is inherently inefficient? You left us with an inefficient system that needs modernising. You were simply cutting—

Mr. Deputy Speaker: Order.

Ms Stuart: I am sorry, Mr. Deputy Speaker. The right hon. and hon. Members who are now, rightly, on the Opposition Benches, were cutting without looking at what was happening to the whole system. I suggest that there is a difference between what the previous Government proposed and what we propose today.

Mr. Burns: Give her a job.

Mr. Duncan Smith: My hon. Friend may have a point. I must tell the hon. Lady that the only real difference is the fact that Labour Members are now on the Government Benches and we are on the Opposition Benches. If the Bill had been constructed and written by the present Government since they came to power, if they had thought of it and initiated it—even if that had been done by the Minister for Welfare Reform—she might have a point. She does not, because we proposed the same measures before our departure. I simply tell her that, even if she was so opposed to those measures before, she has quickly learnt how to swallow her words.

Clause 70 is especially important because it was not part of our proposals. I am interested in it, and we shall tease out in Committee more detail about how it will work. Some concerns have been raised about it. As we know, the clause introduces a new time restriction on backdating social security benefit claims. The limit will be reduced from three months to one month. Clearly, that is a cost-cutting measure; the clause is designed to save money. The explanatory and financial memorandum estimates that it will save about £57 million annually, so there is no questioning it. The Government are not trying to hide the saving, because that, essentially, is what the clause is for.

The question is why the clause was added to the Bill, although it was not originally suggested. We initiated the idea of levelling the time at three months, so the new

arrangement goes deeper than we planned. The hon. Member for Birmingham, Edgbaston (Ms Stuart) should examine that difference carefully.

The measure was added because, as the Secretary of State admitted, the Labour Government do not intend to implement some of our proposed changes to housing benefit. The measure is designed in part to fund that reversal. It will affect the people whom hon. Members have said that it will, because of the decision not to change the housing benefit regulations. *[Interruption.]* We shall see who will be on the streets and who will not be able to afford to make a claim as a result.

One of the concerns raised was about the problems for widows who are confused about exactly when and where claims were made. Their claims will be levelled back to one month, like everyone else's. I hope that the Government will reconsider that, because it is a hard part of the clause, which we shall examine in Committee.

Members of the Government, when in opposition, made strong statements on the subject. On 16 July 1993, as is recorded at column 1260 of *Hansard*, the Minister who is to sum up said that a high take-up was essential to ensure that the poorest in our society received the meagre income to which they were entitled through the benefits system. How does he square that with the present change? I shall be interested to hear his answer when he sums up.

The Secretary of State probably breathed a sigh of relief when I went straight to clause 70, because I had not dealt with clause 68. However, we shall come back to clause 68 now. I left it until last because it represents the biggest single change and the biggest single money-saving measure in the Bill.

The change is not purely administrative; it is a serious change to the way in which child benefit is paid to single parents, as compared with those who are not single parents. We definitely advanced the idea, and I have often asked the Secretary of State whether she would implement it.

The right hon. Lady knows that, in the past, she consistently opposed that idea. Many, probably most, of her right hon. and hon. Friends probably opposed it too. As I said a couple of weeks ago during the Budget debate, the right hon. Lady can be extensively quoted on the subject, especially in an interview with Polly Toynbee in *The Independent*, in which she said that she would not implement the measure. The Prime Minister, when he was Leader of the Opposition, backed the right hon. Lady up by saying that Labour certainly would not implement it.

In view of those assurances, given before the Labour party entered government, I want to know why Labour Members publicly told all the people whom they assumed would vote for them, that Labour would not take that action—indeed, that there was no chance of that happening—when, after two and a half months in government, they have implemented the scheme that we proposed. That is the very scheme that the present Secretary of State attacked, both at the time of the Budget in which we proposed it, and subsequently.

What changed the right hon. Lady's view? It appears to me that the saving of money was probably the greatest driving force. We shall want to find out more about why she, supported by the Prime Minister, turned round and changed her mind in government.

I am intrigued, because the right hon. Lady has such a long track record on the subject. In 1990 she wrote a pamphlet called "The Family Way", which made it clear that she would never countenance such a thing were she in government. She wrote:

"a more efficient means for raising the living standard of parents and children on welfare is a substantial increase in the lone parents' premium to child benefit and/or child benefit itself".

I hate to drag things up from the past, because they do not always fit easily with the way people are at the moment. I simply say that such matters are important. The country and the House have a right to know what happened on the road to Damascus to persuade the right hon. Lady that what she had said should all be swept aside, and she should implement the change. It is fair enough that she should implement that change, which was our proposal, but my question is important. The one group that she has endlessly championed will, rightly, want to know the answer. Let us hear it, perhaps when the Under-Secretary of State sums up—or if the Secretary of State wants to tell us now, I shall give way to her. She does not. Okay, fair enough.

The Chancellor has broken his bond of trust in the Budget, and now more bonds of trust are being thrown away on the route to implementation of the Bill. As I have said, the Bill contains many things that we suggested. We still want to hear answers from the Secretary of State about the change programme, and we still need to know—the House needs to know—exactly why the Government have decided to implement our proposals. I welcome the fact that that is what they intend to do, but they must give their reasons.

The right hon. Lady talked about having secured £200 million from the Treasury through the windfall tax. It is important to note that, in clause 68 alone, the saving will dwarf what she gets from the Treasury. The sum will not be £240 million alone; she knows that new entrants are affected, so there will be a build-up to a cumulative total.

The estimates are that, in the lifetime of this Parliament, in the four years that the arrangement is likely to run while the Labour party is in power, the saving is likely to be from £300 million to £500 million. The right hon. Lady is offering up a much bigger saving than she is getting back for the welfare-to-work proposal. She should get her civil servants to inform her about that.

My right hon. Friend the Member for Hitchin and Harpenden, the right hon. Lady's predecessor as Secretary of State, was told that, at its peak, the measure would deliver £1.5 billion in savings back to the Treasury from the Department. It is worth examining that figure, because it represents serious savings. It alone dwarfs everything else. I welcome the major cost saving implied by the volte-face but I wonder how many Labour Back Benchers would do so.

We intend to reserve our position in Committee, on Report and on Third Reading, until we get answers about some of the changes. I am especially concerned about clause 70, because that seems to have come out of the blue to get the Government off the hook about not implementing the housing benefit changes. I want to hear in detail in Committee the Government's estimate of who will be most affected. How do the Government intend to alleviate the hardship that will fall where they had perhaps not thought that it would?

[Mr. Duncan Smith]

Our position generally is logical, because it is clear that the Bill derives from the Green Paper and from other proposals by my right hon. Friend the previous Secretary of State. We would have implemented many of the proposals in the Bill had we been in government, and we have not changed our position publicly or privately.

I also see the logic of the Liberal Democrats tabling a reasoned amendment, because they made it clear on several occasions that they were opposed to some of the changes, but I suspect that they may need to watch out a bit more, because the great coalitions that are being built may be thrown into jeopardy as a result of their strange opposition, which has emerged at the 11th hour, and the Chancellor and the Prime Minister may reconsider their great scheme of including the Liberal Democrats.

The most illogical position is the Government's. Having vehemently opposed and attacked every single measure in the Bill, and especially those in clause 68, they are now implementing them all. They have an awful lot of explaining to do. The very people who so publicly opposed those programmes are lined up on the Treasury Bench proposing them. I accept that there may be one or more exceptions, but the majority of the Ministers concerned were absolutely opposed to the measures.

To change one's opinion because of the power of the argument is one thing, but to do a policy U-turn and not offer a single explanation in one's opening speech is another; it is extremely strange, and appears to be more about misleading than about accountability. Surely we are in the realms of hypocrisy. This is the politics of convenience, because the Labour party in government is clawing around for money savings and going for the very proposals that we made and it attacked.

The Bill marks who is finally in complete charge of the welfare reform package. I would have said that anyway, but we see from today's newspapers that the Chancellor has re-re-re-announced welfare reform as the big agenda, saying that he will drive it and that it is his great scheme. I leave the Secretary of State and her departmental colleagues to discuss with him privately who is in charge of the Department, but I could not have conceived of my right hon. Friend the previous Secretary of State being forced to have such a tussle with the previous Chancellor over who was running the reforms. I hope that the programme gets taken back into the Department pretty quickly, as there are far too many heads running around commanding it. The Chancellor is pulling not only the purse strings but the Department's strings as well.

Two months into power, the Government have done at least two major U-turns: the first was taxing pensioners and increasing tax in the Budget and the second is implementing in the Bill all the measures that they previously opposed. It is clear that they would have said or done anything to gain power, and that they will now say or do anything to stay in power. It is wonderful how government and power change people so absolutely.

6.3 pm

Mr. Steve Webb (Northavon): I beg to move, To leave out from "That" to the end of the Question, and to add instead thereof:

"this House declines to give a Second Reading to a Bill which, while including measures which will reduce delays in, and increase the fairness of, the appeals process in social security and related areas, or which will reduce unnecessary public expenditure, will result in a slower appeals process, with more appeals being the subject of judicial review, will make the appeals process less fair, and will discourage lone parents from working and thereby increase public expenditure on benefits."

I want to take hon. Members back to near the beginning of May. The new Cabinet has just been announced, and the new Department of Social Security ministerial team arrives at Richmond house fresh from the general election triumph, full of bright new ideas to make a break from the past 18 years. The Ministers settle into their offices and start drawing up plans to move the welfare state into the 21st century. Then they see it—something mouldering in the corner. It already has a few cobwebs on it. Cautiously, they pick it up and read the title on the folder: "The Next Social Security Bill". A Post-it note attached to the front cover says, "We'll leave this one for you."

That, I am afraid, is the nature of the Bill: it is a leftover, a hand-me-down, something that must be got out of the way before the new Government can get on with their own priorities. I find it hard to believe that the new Labour Social Security Ministers, for whom I have a good deal of respect, would have chosen as their first Bill such a ragbag of measures.

Let us consider the Bill's main features. It introduces sweeping changes in the process of appeals in social security and child support. That process was the subject of a Green Paper and a so-called consultation exercise last summer and autumn. The previous Government had already implemented some of the Green Paper's proposals within two days of the end of the consultation; the Bill implements many more.

I hope that the Liberal Democrats will not be misunderstood: we welcome any measures that would streamline social security appeals and make them fairer, but we are far from convinced that the Bill will achieve that objective. We have fundamental reservations on the three grounds of fairness, speed and independence.

On fairness, several of the proposals seem to offend against the principles of natural justice. The first is the possibility that appeal panels may be headed by only a single decision maker, possibly without formal legal expertise. Given that even legal experts find the benefits system bewildering, that is a worrying development. Furthermore, what safeguards are in place to ensure that any prejudices of a single decision maker are not given free rein?

Unfairness may also result from the provision that requires appeal panels not to consider matters other than the specific subject of the appeal. That will mean that even when obvious errors or misjudgments are discovered during an appeal, as happens at present, the panel will have no right to amend them. That cannot be the mark of a fair system.

What about speed? Clearly, we would all welcome a swifter appeals process, and a few of the Bill's provisions could help with that, but for some claimants the Bill could slow the process down. Consider, for example, the Secretary of State's new power to delay the award of benefit to a successful claimant if a relevant test case is pending. How does that speed up the process of assessment?

Consider the possibility that the new appeals process may no longer be seen to be objective, fair and independent, especially as the chief adjudication officer's

position is to be abolished. According to the Law Society, a body that would presumably not normally object to such measures, the Bill could lead to an increase in the number of cases referred to judicial review. That is surely not a recipe for quick decision making.

We have grave misgivings about many of the proposed reforms of the appeals process.

Mr. Desmond Browne (Kilmarnock and Loudoun): The hon. Gentleman refers to a provision in the Bill that he describes as requiring appeal panels not to consider any issue not raised in the appeal. I take it that he is referring to clause 13(7). In fact, that subsection does nothing of the kind that he suggests, although we have all been sent documents trying to persuade us that it does. The wording makes no such requirement.

Mr. Webb: Clause 13(7) says:

"an appeal tribunal need not consider any issue that is not raised by the appeal."

If that means that the tribunal may, but need not necessarily, consider such an issue, I am happy to accept what the hon. Gentleman says.

Mr. Browne: Does the hon. Gentleman accept that my intervention arose from his observation that there was a requirement? My reference was designed to point out that no such requirement existed. Does he accept that no such requirement exists?

Mr. Webb: If the hon. Gentleman's interpretation of clause 13 is correct, I am happy to accept his point.

We have a range of objections to the principles of the Bill in relation to the appeals process, but our greatest reservations concern the provisions on backdating and benefit levels. On backdating, it is extraordinary that people with good cause for making a late claim will be entitled to backdate their claims by only one month, compared with the present 12 months for housing benefit and three months for many other benefits. The fact that someone has got by without benefit for more than a month is no proof that that person did not need the money.

In the case of housing benefit, a coping strategy may be to build up rent arrears until benefit comes through. Until the benefit system is perfect, that will continue to happen. If backdating of no more than one month is allowed, any longer-term arrears will go uncleared and claimants will run the risk of losing their homes. That could lead to increased, not reduced, costs to the public purse.

Most of all, we object to the provision to allow the Secretary of State to scrap the lone-parent addition to child benefit, a policy inherited from the previous Government. That flies in the face of statements by many Labour Members in opposition and of the direction of Government policy. For example, the Under-Secretary, the hon. Member for Manchester, Withington (Mr. Bradley), told the House:

"one-parent benefit—because it is not means-tested—helps lone parents out of the poverty trap and into work."

Now he proposes to abolish it. In the same debate, the right hon. Member for Islington, South and Finsbury (Mr. Smith), who then spoke for Labour on social security, said:

"One-parent benefit in particular is a key part of any benefit-to-work strategy because it is carried through when a lone parent takes work".

Similarly, the hon. Member for Newport, East (Mr. Howarth), who is now responsible for welfare-to-work policy, said:

"That policy of freezing one-parent benefit runs against any rational welfare-to-work strategy and will compound other labour market difficulties faced by lone parents."—[*Official Report*, 20 February 1996; Vol. 272, c. 205-58.]

Many other Labour Members said things in opposition that they would not wish to disown now that they are in government. It is clear that they understand only too well that the lone-parent addition to child benefit, which the Government propose to abolish, is a benefit only to working lone parents. For those on income support, it is deducted pound for pound and, for that reason, many parents on income support do not even bother to claim it. That weekly sum gives lone parents who have got themselves off welfare and into work, which is surely the Government's objective, a little more spending power to ensure that they are better off in work and have a little more cash to spend on child care or other costs of working.

I recognise that the Government, as the Secretary of State said, have taken other measures to improve the child care options open to lone parents. They are welcome, but their total cost of about £200 million is significantly less than expenditure on the one-parent benefit that the Government plan to abolish. Taking money out of the pockets of working lone parents to pay for child care subsidies is an odd strategy for a Government committed to welfare to work.

Do Labour Members really want their first foray into welfare reform to be an unsatisfactory ragbag of second-hand Tory measures that make the appeals system less fair and take money out of the pockets of working lone parents? If they do not, I ask them to vote for our amendment and to replace the Bill with a forward-looking measure of which their party and the House could be proud.

6.13 pm

Mr. Colin Burgon (Elmet): I am grateful to be able to make my maiden speech on so important an issue as welfare reform, which is a key priority of the new Labour Government. Both Government and Opposition Members recognise that such reform is long overdue. All of us who are in touch with the public know that the social security system is regarded as complex, inefficient and unfair. We have all been involved with constituents who cannot make sense of decision making and appeals or who are frustrated with the repetitious and bureaucratic information-gathering process, and with staff who despair at translating the rules into reality for the people with whom they deal.

The Secretary of State is therefore to be congratulated on bringing forward measures that will make the social security system modern, efficient and fair: modern in the sense that, through better use of information technology, each claimant will have to give information only once; efficient in that the way in which decisions will be made will be simplified and the appeals system streamlined; and fair because loopholes will be closed to limit avoidance of the payment of national insurance contributions.

[Mr. Colin Burgon]

I especially welcome new criminal penalties for serious cases of deliberate evasion and fraud. I hope that all hon. Members recognise that we need to win public support for the new social security system. Without it, any welfare scheme is bound to fail. Every pound lost through fraud is a pound less for people in real need. The billions of pounds lost through fraud short-change the taxpayer, take resources from the most needy in our society and undermine confidence in and support for our welfare system. Labour Members believe that the welfare state should act as a springboard, not a safety net.

The Labour Government realise that social security should mean more than a system of benefits. We also believe that we must provide true security through employment, growth and better education. The Bill recognises those aims and should be regarded as an essential interlocking element in the raft of reforms that will help us to build a fairer, more dynamic and more cohesive society. That is why the Bill will be welcomed in my constituency of Elmet.

I must pause at that point because I have found since entering the House that I am always asked two questions: where is Elmet, and how did it get its name? It is not what you put on your 'ead. If there was cash for answers, I would be a wealthy man. I can tell interested parties that Elmet takes its name from the last Celtic kingdom in England. The constituency falls entirely within the boundaries of the great city of Leeds, in which I am proud to have been born. It lies on the eastern edge of Leeds and is, by any standards, a diverse constituency.

Created in 1983 by the boundary commission, which seemed determined to weld together what might appear to be disparate parts, the seat was, until May 1997, represented by one party and one hon. Member. Spencer Batiste, the Conservative Member for 14 years, had a special interest in science and technology, and was well respected in that sphere. Although he never held major office, he was a loyal supporter of his Government. With his legal background, he prided himself on his debating skills. I am sorry that we did not meet very often in that arena. He was a courteous opponent, given the nature of politics in Yorkshire, and I wish him good health and success in any activity that he undertakes outside the political sphere.

I have a confession to make. Mr. Batiste may have become tired of seeing and hearing my name over the years, for I fought the seat three times before being successful. Indeed, given my advancing years, some might say that May 1997 represented my last chance to enter the House. I am grateful to the voters of Elmet for combating agism and for finally recognising my worth before it was too late.

In all those difficult years, I had the good fortune to be sustained by true and trusty friends in Elmet Labour party, whom I thank for their support. To help people locate my constituency, I should like to thank the Members for the neighbouring constituencies, Geoff Lofthouse, and my hon. Friend the Member for Leeds, East (Mr. Mudie), who, along with their supporters, gave me so much help.

Some hon. Members use their maiden speeches to boost the tourism prospects of their constituencies. I advise a walk along the Leeds country way, which criss-crosses my constituency; people would soon realise how pleasant Elmet is.

Visitors to the northern part of my constituency will find the market town of Wetherby, through which the River Wharfe flows. Surrounding the town are some affluent villages, but this relative economic affluence causes one of the major problems in the area—the lack of affordable housing for young people who were born in the area but who can no longer afford to live there.

In the centre of the constituency is the Whinmoor ward—once represented by Denis Healey—which consists predominately of council houses built in the 1960s and 1970s surrounded by substantial private development. The core area of the ward has seen better times and, I hope, will experience those times anew under the Labour Government. The quality of housing and youth unemployment are the most important problems that the Labour Government will have to address, confront and remedy.

The southern end of the constituency is dominated by the town of Garforth, the largest centre of population in Elmet. It is a former mining village whose character has changed over the years as it has expanded, but it has not lost its work ethic in the process. The surrounding settlements of Micklefield, Kippax, Swillington, Methley and Allerton Bywater are villages that prospered and grew as a result of the coal industry and are now undergoing change. At the end of this week, I shall meet residents of Allerton Bywater to discuss the possible development of the colliery site, the last to close in the constituency. I am anxious that change should take place in the interests of local people, whose values and wishes must be respected. In a complex and changing world, we should all value a sense of identity and place and I hope that many in the House share that view.

The old coalfield area at the southern end of Elmet is the area from which I draw historical, political and sporting inspiration. I mention sport because my area is rugby league territory, and loyalties are split between Leeds and Castleford. It may interest the House to learn that, last week, I made my debut in what my hon. Friend the Member for Wakefield (Mr. Hinchliffe) calls "the people's game". The occasion was a match between the House of Commons and the under-16 Yorkshire rugby league team, held to publicise the fact that the team was anxious to raise money to enable it to visit South Africa to act as ambassadors for the sport. [HON. MEMBERS: "Who won?"] I ignore the result at this stage. If the game had gone on for half an hour more, we would have won. One of the lads in the team was from Kippax in my constituency, so I was prevailed upon—I use the term advisedly—to play in the game.

One thing became clear during the game: I should stick to football, which I must admit is my first love. I therefore add with some pride that Elmet contains the training ground of Leeds United, the team I have supported since I was a boy. I wish my team well—as I am sure all hon. Members do—in the coming season and I hope that we can somehow rediscover our ability to put the ball in the opposition's net, thus giving Bryn Law, my favourite Radio Leeds sports commentator, something to shout about.

I mentioned history and politics, and the coalfield area is rich in both. I hope that, in the coming years, we will see in my constituency some of the lovely blue plaques that mark the birthplaces or homes of famous people. I make two nominations for such an award. The first is Ben Pickard, who was born in Kippax and became the

president of the Miners Federation of Great Britain. He also became the Liberal Member of Parliament for the Normanton constituency in the days before the tide of Labour swept the Liberals away.

Mr. David Rendel (Newbury): The tide has turned.

Mr. Burgon: The tide has gone out, I think.

Just up the road in the Great Preston workhouse is the birthplace of Herbert Smith, an interesting character. He rose to become general secretary of the National Union of Mineworkers, and with its president—the mercurial A. J. Cook—led the miners through the stormy 1920s. I had to smile when I learned of Herbert Smith's negotiating technique, which could be commended to any Europhobes on the Opposition Benches. Smith used to listen to his opponents, take out his false teeth, give them a good wipe, put them back and say in his Yorkshire accent, "Nowt doing." Such an approach would take Brussels by storm.

In drawing my remarks to a conclusion, I should like to say that the people whom I am especially proud to represent share my view—a simple view—that it is better to have a nation at work than on benefit. They also believe that in society one has rights, but also responsibilities. The Bill works towards achieving both aims. It will be welcome by the people of Elmet and of this country, and we should commend it.

6.24 pm

Mr. Piers Merchant (Beckenham): I am pleased to follow the maiden speech of the hon. Member for Elmet (Mr. Burgon), who spoke ably and with good humour. I look forward to hearing many of his speeches in future to this House. He was generous in the tribute he paid to his predecessor, Spencer Batiste, with whom I served for many years on the Government Benches. It is a shame that he is not here now, but the hon. Gentleman will no doubt prove to be an able successor.

The hon. Member spared us a tourist's guide to his constituency, but expressed his interest and his constituency's history in sport. Were I to have any ability in that area—which I do not—I would be attracted to his constituency. I am sure that others will be.

The hon. Member for Elmet made it clear that his constituency was not pronounced with an "H". I thought that that was appropriate in this debate because of the Secretary of State's apparent obsession with hats in her speech, when she seemed to be justifying the need for a change in the appeals process by referring to the number of hats she claimed were worn by various appeal tribunals sitting in one building. I searched the Bill in vain to find any reference to hats. Nevertheless, I welcome many of the Bill's proposals.

This is an impressive Bill, and I pay tribute the Secretary of State. The Bill contains many proposals and principles which I will find it easy to support. I did not think that she had it in her—and nor did she, in view of her previous remarks about many of the proposals contained in the Bill. I welcome her late conversion to the principles in the Bill, which I shall support as it progresses through the House.

The Bill has a strange and remarkable familiarity, which I put down to the fact that most of its proposals were made by the previous Government, and would no doubt have become law in the fulness of time. One could be forgiven for imagining that the Secretary of State had reached up to a shelf in her Department, found a Tory Bill, dusted it down, altered a few clauses, and brought it to the House as one of her own.

My hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) suggested that the Bill might be termed the "Peter Lilley memorial Bill", and there is a good argument for doing so. But he also referred to the man who liked the razor so much, he bought the company—Victor Kiam. Perhaps the Bill should be termed the "Victor Kiam memorial Bill", because the thinking behind it is similar. The Secretary of State has taken a Tory measure and dressed it up in new Labour rhetoric. I thought that she did so without much success, although she appears to have convinced many Government Back Benchers.

Perhaps I am being uncharitable towards the Secretary of State. I welcome her conversion, and hope that there will be more as she proceeds with her new responsibilities. She will find that the realities of her job increasingly draw her towards the same interpretations and policies adopted by the previous Government. If she continues in that direction, I for one will welcome her if, in the fulness of time, she crosses the Floor to join us.

This is a surprisingly tough Bill. Its purpose is to save money and to crack down on fraud, abuse and inefficiency. It will do so through a series of measures, including the institution of new fraud offences and penalties; the withdrawal and suspension of benefits in certain circumstances; compulsory medicals; the reduction from three months to one month for backdated claims; the introduction of computer decision making; cross-referencing and the transfer of information from one Department to another; and, last but by no means least, reductions in payments to single parents.

The streamlining of the appeals process is also welcome and it too is designed to save money and to make the system work more efficiently. According to the explanatory and financial memorandum, total savings will be £200 million a year, but if one includes the build-up of savings in subsequent years, as well as greater uptake, I suspect that those savings will be considerably higher, and could possibly approach £500 million a year.

The Bill is designed to save money and to cut the social security bill. It builds on the foundations laid by my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) when he was Secretary of State for Social Security. He laid great emphasis on the need to reform the system and to save money—a task that he performed with great ability. In the past three years, the money saved by anti-fraud and related measures has grown considerably, from £889 million to £1.4 billion, and in the last financial year a saving of £1.8 billion was recorded.

Those savings were achieved as a result of measures designed to combat fraud and to achieve greater efficiency. My right hon. Friend made great virtue of the right argument that every pound wasted in inefficiency or paid out to a fraudulent claimant was a pound lost to a deserving case. That is why the Conservative Government laid great stress on the need to be tough on fraud and to cut it out. Our associated policy was designed to ensure

[Mr. Piers Merchant]

that those who rightfully applied to receive benefit could have their identities checked so that payments could be accurately made.

Kali Mountford (Colne Valley): No one in the House would want to see fraudulent claims for benefit, but does the hon. Gentleman also agree that, if employers do not pay appropriate contributions on behalf of their employees, the cost to the state and to the individual who makes a claim are exceedingly grave? I represented people who thought that they were entitled to benefits but who were not eligible because of such non-payments. Does the hon. Gentleman agree that that is a new avenue of fraud which should be dealt with?

Mr. Merchant: It is not a new avenue, because the previous Government were also concerned when national insurance contributions were not properly paid. Because the then system enabled employers to make use of avoidance measures, my right hon. Friend the then Secretary of State and my right hon. and learned Friend the then Chancellor introduced a number of measures to combat them. I greatly welcome the fact that their subsequent related proposals have been included in the Bill. Such anti-avoidance measures are part of the formula, which must be drawn up correctly so that the system can work with the greatest efficiency.

I congratulate the hon. Member for Colne Valley (Kali Mountford) on making progress, in the sense that she accepts that fraudulent claims have been made in the past. It may seem strange to her that I should say that, but when I sat on the Government Benches I remember how the then Opposition used to suggest that there was no fraud in the system. Just a few years ago, when the the Conservative Government introduced proposals to root it out, the Opposition used to argue that there was no problem, and that there was no need to take action.

I am glad that the majority of those in the Labour Government now accept that fraud exists in the system and that it is necessary to exert continuous pressure on the administrative processes and to check up on claimants to ensure that they are rightfully entitled. If we do not remove fraud from the system, a huge black hole will remain, down which large sums of money will be lost—money which cannot be directed to those entitled to it.

It is pleasing to see a new consensus emerging on welfare policy—a consensus that recognises that fraud exists and needs to be stopped; that inefficiencies in the system need to be rooted out and processes improved; and that welfare should exist as a hand-up rather than a hand-out. The Secretary of State used that phrase, which is identical to that used by my right hon. Friend the Member for Hitchin and Harpenden when he was Secretary of State.

Ms Stuart: Does the hon. Gentleman accept that there is a difference between fraudulent claimants and fraud committed by employers? We particularly objected to the practice of employers who defrauded their employees by failing to make the appropriate national insurance contributions. I would appreciate it if he could recognise that difference.

Mr. Merchant: Fraud is fraud however it is carried out. I condemn it equally in either circumstance that the hon. Lady described. I do not suggest that the fraud is of lesser significance if it is carried out by an employer or an employee. We should join together to say that, when the rules and regulations are not adhered to, or when the system works to allow fraud to creep in, steps need to be taken to prevent it.

The previous Government did a great deal in their drive against fraud—witness the huge savings in the last financial year of £1.8 billion. The fact that the new Government have agreed to go further down the same road and to take on board the policies that were rightly applied by the previous Government is greatly welcome. That is why I support the Bill and the principles behind it, even though in some circumstances it will be necessary to look closely at the details.

I am concerned, for example, about the reduction from three months to one month for backdated claims. I thought that the Secretary of State's justification for that was somewhat glib, and she avoided answering the detailed questions to which she was subjected. I suspect that there will be individual cases of potential great hardship that could be caused by a rigid interpretation of clause 70. When we have an opportunity to consider it in more detail, I hope we can assured that sufficient checks and balances will exist to prevent undue hardship. I will strongly support any measure to prevent wrongful claims, but I would be wary should the Bill act against those who, through no fault of their own, may find themselves in difficult circumstances.

The streamlining of the appeals process will speed up the system, make it more efficient and benefit the would-be claimant and the taxpayer. I welcome that, but I would be concerned were the system to become so rigid, bureaucratic and swift in its decision taking that it prevented a person from making a genuine and persuasive appeal against a wrong decision in the first place. I support other aspects of the suggested reforms in principle, but it will be necessary to consider them in detail to prevent any injustice.

Finally, I turn to one other element of the Bill that I would not include in the general efficiency and anti-fraud section; it has been tacked on. It is clause 68, which refers to lone parents. It is an extraordinary clause, not because it is unjustified—it is not—but because it is being proposed by the Labour Government. The Secretary of State is on record as being opposed to precisely what she is now proposing. She has undergone a dramatic conversion—perhaps the most dramatic of all—and very quickly.

The right hon. Lady is taking her right hon. Friend the Prime Minister with her. As early as January, he spelled out, in crystal-clear language, that a future Labour Government would not adopt the proposal, which was then a Conservative proposal. The crystal-clear language he used consisted of one word—"No." He said he would not introduce the measure, yet now it is being introduced.

I welcome the proposal, because it equalises the position of married and single parents, and that equalisation is good in theory and practice. However, after all the opposition generated by Labour Members, I am surprised that they are now proposing it as one of their policies. That is another conversion—a welcome one, and a surprising one.

The Labour party has learnt that Conservative policy in this area was correct, and that Labour's original policy was wrong. I do not want to rub the Government's noses

in their conversion, but it should be drawn to the attention of the House and of their Back Benchers, who, only a few months ago, followed their cheerleaders in condemning the Conservative Government's proposals.

For all those reasons, I give the Bill a mark of about eight out of 10. I look forward to watching, and perhaps even participating in, its progress through the House. I also look forward to future social security measures, and to seeing whether they score as highly in my estimation as this one.

I am surprised by some of the measures that are not in the Bill, in view of the noise made by the Labour party when various policies were introduced by the previous Government. In particular, when the jobseeker's allowance was introduced, the Labour party gave every impression that, as soon as it had an opportunity, it would seek to abolish it. As soon as the Bill was published, I looked for a reference to that, but all we are met with is silence. I wonder whether that silence will continue.

When the Minister winds up the debate, I should be interested in what he has to say about what has been left out of the Bill, as well as what has been included. I shall also listen with interest to his comments on the future of Operation Spotlight and the change programme, both of which were important elements in the previous Government's policy. It is not yet clear whether the Labour Government will continue them—if they do, I will welcome that. I wish the Government well in their continued application of Conservative social security policy.

6.42 pm

Mr. Terry Rooney (Bradford, North): I, too, pay tribute to the maiden speech by my poor relation from Leeds, the hon. Member for Elmet (Mr. Burgon). I suggest that he familiarise himself with social security, especially the jobseeker's allowance, because if his football team perform next year as they did last year there will be an awful lot of them on the dole.

The Bill is extremely wide ranging, with 77 clauses and 7 schedules. The House will be pleased to know that I do not intend to speak on all of them, but will confine my remarks to just a few. Before coming to the House, I spent 10 years as a welfare rights adviser. As a result, I have had to serve on 13 Bills dealing with social security, many of them with the Under-Secretary of State for Social Security, my hon. Friend the Member for Manchester, Withington (Mr. Bradley). I can vouch for many of the remarks attributed to him today, but we will not go into that. I am not sure whether serving on all those Bills was a reward or a penance; nevertheless, I recognise many of the concerns expressed in the representations that we have all received and I have no doubt that they will be suitably ironed out during the passage of the Bill.

First, I will address the proposals for the appeals system. Anyone who has suffered the social security appeals system, whether as a claimant, a member of staff or a representative of a claimant, cannot in any way accept the current system—it is simply abominable. I have no problem at all with the abolition of the five separate tribunals and their being brought into one. Let us consider two types of appeal. For a client of the Child Support Agency living in west Yorkshire, the administration of the case is dealt with in Belfast; if the person decides to make an appeal, the file is then sent to Falkirk for preparation. When it is finished with there, which can take anything up to a year if the person is lucky and even longer if they are unlucky, it is, for some reason, sent to Salford. People in Salford then endeavour to contact all relevant parties and to arrange a suitable time for the appeal to be heard in Leeds.

In the case of a claimant for disability living allowance, the administration of the case is dealt with in Blackpool, but if the person decides to lodge an appeal, the file and all the papers are sent to Nottingham for preparation. The appeal papers are then dispatched to Leeds for the clerk there to make the necessary arrangements for the appeal to be heard. Irrespective of any other delays in the system, and even if the file does not get lost—and the claimant is very lucky if it does not—that process of shuffling papers around the country can take three or four months. Nobody benefits from that and we should not tolerate or accept such a system.

As a representative, one of the most frustrating things that happened to me was turning up at a tribunal and finding that only two members were present—sometimes only one member was present. I had waited months, done all the preparation, got my client ready and turned up on the day on time, only to find that the tribunal was incomplete. I then had to decide whether to go ahead with an incomplete tribunal, or to seek an adjournment and come back at some time in the future. I should mention at this point that my hon. Friend the new Member for Keighley (Mrs. Cryer) served for many years on social security appeal tribunals in Bradford and was an excellent, diligent and devoted member—would that everyone who sits on tribunals showed the same commitment.

That time delay, the lack of people turning up and the frequent inability of tribunal members to understand the case that they are hearing is tremendously frustrating and leads to bad decisions being made. Those are often contested and taken to the social security and child support commissioners, which leads to further delay and anger and upset among claimants, which is the last thing they need. The system needs massively simplifying and putting into order to bring back speed and justice.

Why is the number of appeals increasing? Part of the answer is undoubtedly the increase in recent years in the number of claimants. Another major development was the change from the old yellow book, which we all thought was quite complicated, to the new blue book, which is even more complicated and about 20 times as long—I see knowing looks on the faces of hon. Members who remember these things. The main contributing factor, however, is undoubtedly poor decision making. No improvements in the appeals system can replace getting the decision right in the first place.

Why are poor decisions made? Why is morale among Benefits Agency staff as low as it is? For years, they have been abused and reviled by successive Secretaries of State; the work that they do has been undervalued; their status has been devalued; their jobs have been threatened; and the conditions in which they have to work are appalling. Some 61,000 people currently work for the Benefits Agency, of whom more than 5,000 are on temporary contracts and 13,000 have worked at the agency for less than five years. The tremendous staff turnover leads to much of the bad decision making. That issue therefore needs tackling in the longer term.

[Mr. Terry Rooney]

Throughout the country, social security premises are abysmal. Within a mile of this building, there are three social security offices that would be closed down if they were being used as dog kennels; yet we expect people to work in those places and we expect claimants to attend there. That is a major contributory factor leading to low morale of staff and lack of accuracy in decision making.

We must reduce the complexity and number of forms that people are expected to complete. Anyone who has battled with what I believe is still called the B1—the claim form for income support—knows that it would defy an expert on completing income tax forms. Form A1, which is used by pensioners claiming income support, includes a question asking whether the claimant is pregnant. I know that science is advancing and that a mad doctor in Italy is doing all sorts of things, but by and large it is reasonable to assume that a pensioner, especially a male pensioner, will not be pregnant. Such anomalies appear in forms that have been prepared over the years—forms that appear to any lay person to be designed to prevent people from making a claim and pursuing it. That needs to be sorted out.

Separate forms must be submitted for jobseeker's allowance—contributory and non-contributory—for income support, and for housing benefit. So many of the questions on those forms overlap. I hope that the contents of the Bill will make inroads into the complexity, not only for claimants, but for the staff who process the documents. Frequently, the same information is processed three or four times when once should be enough.

Some years ago, my local authority—and, I believe, subsequently the one in Manchester—devised a standard form that could be completed to claim any benefit administered by the local authority, be it free school meals, educational maintenance allowance, housing benefit or council tax benefit. After completing one form, the person was informed which benefits they were entitled to. That innovation has saved tens of thousands of pounds and speeded up the process. Nowadays if a claim is not determined within 21 days there is almost a major inquiry, because the system has become so efficient. Similar progress needs to be made in the social security system. I believe that the information sharing provided for in the Bill will go a long way towards that.

Earlier this year, the Social Security Administration (Fraud) Act 1997 was passed. Information sharing between the agencies and the Inland Revenue and so on was a major feature of that Act. Ironically and nonsensically, however, it was only in respect of fraud—not to help people to claim what was genuinely theirs. That highlights the difference between the approach of the previous Administration and that of the present Administration. Claimants have a right to be paid their due. Certainly fraud is wrong and should be stamped out, but identical standards of service need to apply to both sections of the service. We know of far too many people who have walked away from the system, fed up with its bureaucracy; that must not continue to happen.

There are three separate forms that people can complete and send off to Glasgow—or perhaps it is Newcastle—to claim assistance with dental charges, travel costs and medical aids, depending on whether they are on income support, on low income, or retired. Three separate types of form are sent to one address. Why cannot those matters be dealt with at the local office? That would be easy and it would save massive administration costs.

There are provisions in the Bill for tackling employer abuse of national insurance contributions. I have had several cases over the years of people who, on losing their jobs, have made their claim at the Employment Service only to be told, two to four weeks later, that their claim was disallowed because their contribution record was incomplete. Fortunately, all those cases could be resolved because they were diligent people who had kept their P60s and could prove that the deductions had been made and that their employer had been at fault.

Those were just the few people who had bothered to meet their Member of Parliament. For all we know, for every one of those people there are 20 or 30 others in a similar position. That is fine in the case of unemployment benefit, because usually it is possible to get that sorted out, but what would happen if those people had changed jobs, gone to different employers and been lucky enough never to be out of work? What will happen if, on reaching retirement age, people suddenly find that they have an incomplete record? They will not be able to look back 30 or 40 years and say, "There is the proof that I paid the contributions, but the employer did not hand the money over, so I want my full pension." It will be too late then.

An awful lot of such abuse by employers is going on. It is increasingly common, and it happens because of the lack of supervision of national insurance payments by employers. Anything that tightens up on that, and on payments by dodgy methods, is welcome, because people must believe that the money that is taken from them is credited to their contribution record.

The system of decision making in the DSS defies belief and lacks credibility. I know of no one involved in the social security system who accepts that adjudication officers are independent. I know of no claimant who sees a difference between a decision taken by an adjudication officer and one taken by a Secretary of State. To them, the person behind the counter has taken the decision and legal technicalities mean nothing. An adjudication officer works in the same office as the other staff, on the same payroll, under the same management and even the same Minister. To the general public, they are simply people who work in the DSS, and we need to get rid of such crazy differentials.

Unfortunately, the system has developed to the stage where it no longer serves staff, claimants, representatives or the taxpayer. It is inefficient and bureaucratic and needs altering.

Mr. Webb: I have listened with interest and respect to what the hon. Gentleman has said. He made telling points about the appeals aspects of the Bill. I apologise if I pre-empt what he was about to say about lone-parent benefit, but just in case he was not going to mention it, may I ask him, as someone who is expert in welfare rights, what he believes will be the effect of scrapping lone-parent benefit on people such as those he used to advise?

Mr. Rooney: The hon. Gentleman needs to be aware that the vast majority of people who are paid single-parent benefit receive no advantage from it because it is deducted, pound for pound, if they are on income support.

Those on family credit lose about 72 per cent. So the number who actually receive any benefit is small. In an ideal world, it would not be done away with, but I think that the hon. Gentleman would accept, especially if he has kept awake during the past 18 years, that this Administration have not inherited an ideal world. I hope that he will see at the end of five years that the position of lone parents is vastly improved on what it was on 1 May 1997.

Mr. Letwin *rose—*

Mr. Rooney: I will not take any more interventions as I have nearly finished.

Staff morale is extremely low. The three programmes—change, adapt and prime—are continuing. The hon. Member for Beckenham (Mr. Merchant) mentioned change, but the other two programmes are very destructive to staff morale. Claimants suffer from lack of faith in the Department, from unintelligible decisions, confusing bureaucracy and the unresponsiveness of the system.

People who come into contact with the Department of Social Security have, almost by definition, suffered a traumatic experience, such as a death in the family or loss of employment. That is why they need to make contact in the first place. They should be met by a system that will deal with them compassionately, speedily and efficiently.

I hope that the Bill will be the first step to achieving the ideals that I have outlined. I hope for further legislation in the months and years to come. This Bill can only be the starting point. Nevertheless, it is a big Bill which takes on a great many issues and I hope that it will receive the support of the House today.

6.59 pm

Ms Roseanna Cunningham (Perth): I did not come into the Chamber with the intention of speaking in the debate, but I became so incensed by the remarks of Ministers, particularly in respect of clauses 68 and 70, that I felt that I had to say something. The impromptu nature of my decision, however, means that my remarks will of necessity be short.

I add my welcome to the hon. Member for Elmet (Mr. Burgon). It is many years since I was in Leeds, so I cannot say with any certainty that I have been to his constituency—although from his description it would seem unlikely that anyone visiting Leeds would avoid it. I was in Leeds to indulge a sporting interest, although I hasten to add that it had nothing to do with rugby, under either set of rules. I therefore bow to the hon. Gentleman's knowledge of that game.

I shall not, however, bow to the hon. Gentleman's—or the Government's—attitude to social security. I wish to deal mainly with clauses 68 and 70, which I notice that Labour Back Benchers have assiduously avoided this evening. I suspect that that is because they are deeply embarrassed about, and thoroughly ashamed of, those aspects of the Bill. I am under no such inhibition, and I intend to say what I suspect that many Labour Members in their hearts would wish to say if they were honest with themselves.

I have listened with care and interest to what is being suggested in regard to the removal of lone-parent benefit. I listened with astonishment to the remarks of the Secretary of State, who appeared to suggest that there was a clamour from lone-parent organisations desperate for the Government to cut their benefits. I seem to have missed those briefing documents and demands—perhaps some selective lobbying is going on. While I do not doubt for one moment that all lone parents would like to be able to work and would much prefer earning to receiving benefits, the fact remains that many of them rely heavily on benefits and that those who find work are often on low pay. In such circumstances every pound is immensely important and I should dearly love to see or hear any evidence of a demand from lone parents that their benefits be cut, but I suspect that not one Labour Member could point to any such demand.

This move will hurt the very people about whom I have long understood that the Labour party claims to care. Now that Labour is in government, however, the very opposite would seem to apply and hypocrisy is the order of the day. That hypocrisy is exemplified by some of the remarks made by Labour Members when they were in opposition.

Like the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), who made some play of comments made in the past, I should like to allude to a few myself. Someone who was described as the spokesman for the shadow Secretary of State for Social Security as recently as November 1996 referred to the then Government's proposal to cut lone-parent support as "short-sighted". Presumably that person spoke with the full authority of the current Secretary of State. It was said of the proposals then that they would make matters worse and that any cut would enlarge the poverty trap.

What has changed between November 1996 and July 1997 to cause such a material change in the Government's attitude? Why has a proposal that would "enlarge the poverty trap" suddenly become the most wonderful thing since sliced bread? Such a U-turn in such a short space of time is astonishing—the more so when we recall that it will affect vulnerable people.

A pattern seems to be developing here. Clause 70 deals with restrictions on reasons for backdating benefit. In this case, Labour is not just taking up what the previous Government wanted to do—it is showing every intention of trying to out-Tory the Tories in almost every respect. Earlier this afternoon there was a mischievous point of order inquiring whether the Liberal Democrats, in the light of today's events, would not be more comfortable sitting on the Labour Benches. After last night's debate, and having heard this evening's debate, I wonder whether Conservative Members might not just as well mingle with Members on the Labour Back Benches as there is precious little difference between them—except that the new Government are going even further than the former Administration were prepared to go.

There must be people sitting on the Government side of the House who, deep down, are sick and sorry about the impact that the proposals will have on ordinary people. The Secretary of State failed to tackle the new inclusion of housing benefit and council tax benefit in the backdating restrictions. Not even the previous Government were prepared to restrict the 12-month backdating rule to three months and one month, respectively—and for good reason. Arrears can mount up if these benefits are not paid. I do not know whether my mailbag is completely different from that of other hon. Members, but I would be surprised if they did not have to

[Ms Roseanna Cunningham]

deal with these problems in their constituencies. Neither a private nor a public landlord will write off arrears of rent just because ordinary people have lost money in this way, and local authorities will not write off council tax arrears that people cannot pay if their claims are not backdated.

It is indeed astonishing that the Government should take this line, although their continual use of the phrase "keeping spending down" gives the game away. I remind the Government that the Social Security Advisory Committee criticised the changes brought in by the previous Government as paying

"insufficient regard to the reasons why claims are submitted late and/or without the necessary substantiating evidence".

The committee recommended that the rules should not be changed. The then Government rejected its main recommendations, but the new Government intend to go much further. The backdating period—now set at one month, unless otherwise stated by regulation—may keep spending down: it will certainly keep down the spending of claimants because they will have precious little left to purchase anything. The decision is iniquitous, and especially harsh with respect to housing and council tax benefits. It is astonishing that the Government intend to proceed down such a road.

The removal of lone-parent benefit and the decision on backdated payments, taken together, will cause direct hardship.

Mr. Browne: Will the hon. Lady give way?

Ms Cunningham: No, I am about to wind up my remarks. I said that I would keep my speech short. I am sure that the hon. Gentleman will speak later.

The Government are taking money away from some of the poorest and most vulnerable people. Anyone who votes for the Bill ought to be thoroughly ashamed of themselves, and I think highly enough of some Labour Members to imagine that they will be.

7.10 pm

Mr. Desmond Browne (Kilmarnock and Loudoun): I am grateful for the opportunity to contribute to the debate. Before coming to the remarks that I have prepared, I want to deal with Opposition Members' somewhat contrived interpretation of clause 70.

It would appear that hon. Members who read clause 70 as allowing backdating for only one month have failed to read the whole clause. It is obvious, especially from subsection (2)(b), that there is an opportunity to deal with the very circumstances that Opposition Members anticipate might cause difficulty and hardship. It might have been more helpful to the debate if those who have experience in the area and who have received correspondence on the matter had been able to give Labour Members—especially my right hon. Friend the Secretary of State and her team—more details of the circumstances in which such arrears could build up and difficulties could be engendered. The Under-Secretary of State for Social Security, my hon. Friend the Member for Manchester, Withington (Mr. Bradley), will no doubt be able to address the specific difficulties and see whether the provision that I have pointed out would enable circumstances to be prescribed to deal with such difficulties.

We have heard thus far a generalised complaint from more than one source, that the backdating provisions can operate in only one way. That is a restricted interpretation of the clause, which I commend to the House. There are opportunities to deal with difficulties in the very situations to which the hon. Member for Perth (Ms Cunningham), in particular, alluded. If her mailbag is so crammed full, would it not have been helpful to have articulated some of the circumstances in which such injustices could come about, so that a proper response could be made to them?

The importance of the welfare system cannot be underestimated. My right hon. Friend the Secretary of State put the system into a national perspective. When one considers, as I often do, that £93 billion—almost a third of public spending—is eaten up by the welfare budget, the national perspective is clear. Conservative Members ought to be very clear about it, because their policies created the circumstances that have caused the need for such spending to be devoted to providing a sometimes well-holed safety net for many of the most unfortunate people in our society.

On a more local level, the problems, complaints and trauma of my constituents, who regularly attend my surgeries clutching bundles of papers—mostly incomprehensible correspondence from the Department of Social Security or other benefit agencies—have brought home to me the personal difficulties generated by the present welfare system. I suspect that my constituents will join me in welcoming the Government's commitment to the reform of the welfare state.

It is a measure of the need for reform that almost no one who is involved in the system expresses any confidence in it or public support for it—despite the fact that we are spending such a vast part of the nation's wealth on it. The task of rebuilding that lost confidence is gargantuan and the measures in the Bill are to some degree the beginnings of that long process. The customers of the service—claimants or those who are entitled to benefits—deserve a better deal. The Bill is a significant step towards providing that better deal, in three important ways.

First, in clause 1, there is a provision that will rationalise the initial decision-making process. That objective is supported by all who have made representations to me on the Bill—many unsolicited—including representations from citizens advice bureaux and the Child Poverty Action Group. Further, the objective was supported almost universally by all respondents to the previous Government's Green Paper.

It is my experience—it is obviously one that I share with some of my hon. Friends—that the roots of many of the later problems that are addressed in the Bill are to be found in the initial decision-making process. Among the customers of the Benefits Agency, the Child Support Agency and the Employment Service, there is a significant lack of confidence in initial decisions being correct—even when they are. That public perception is supported by the findings reported in consecutive annual reports of the chief adjudication officer. There appear to be two important reasons for it.

The first reason, which is highlighted by the chief adjudication officer in his latest report, relates to the adequacy of the evidence on which initial decisions are made. Reporting on his monitors' responses, he commented that there were

"too many comments casting doubt on the adequacy of evidence. Whether the evidence was ever to hand, was missed under general pressures or the processes were just too complex is often far from clear."

Despite significant efforts to improve the performance of adjudication officers, the chief adjudication officer was able to report

"only on a year of mixed achievement".

The report said that he

"saw no dramatic general improvement in standards."

It is against that background that I welcome the rationalisation of the decision-making process and the abolition of the distinction between decisions made by adjudication officers and those made by the Secretary of State. The Government cannot be expected to address the complexities of the process—the other half of the perceived problem—after only two and a half months in power. That work will be addressed over the years to come.

The second reason arises from the first. It is clear from my constituents' experiences that one of the direct effects of the poor quality of initial decision making is an overloading of the system at both review and appeal stages. The instinct of claimants, many of whom are imbued with a cultural distrust of agencies, is not to accept the initial decision. Those who are worldly wise or who have previous experience of the benefit system—there are many such people in my constituency—are motivated to appeal simply because they have no confidence in the process. Those who consult advisers, welfare rights officers or citizens advice bureaux are often advised to appeal, if for no other reason than to keep their options open or simply so that they can go on the lengthening waiting lists for appeals.

The analysis of the monitoring statistics prepared by the central adjudication services and published in an annex to the chief adjudication officer's annual report justifies such an approach to the appeals system. The statistics not only give ground for concern because of the large proportion of cases in which, when monitored, the accuracy of the payment of benefits was either in doubt or just plainly incorrect, but show that, for certain benefits, a small proportion of decisions was found to be incorrect. There must be a better way of making decisions, so that claimants can have confidence that the decisions on their claims are just, fair and accurate.

My experience as a constituency Member of Parliament, short though it is, and my constituents' experiences, which are much longer, are supported by the findings recorded by the central adjudication services monitoring process, as reported by the chief adjudication officer. That is the convincing case for change. It is no answer to the Government's proposals—at the very least, it is an inadequate answer—to say that, if the Secretary of State takes on the role as proposed in clause 1, those making first-tier decisions will lose their independence. The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), who is no longer in the Chamber, made that point earlier by way of intervention.

It may be a legal nicety that adjudication officers are independent in law, but it cuts no ice with the claimants for whom they are making decisions. Legal independence and the attention that has been paid to improving the process have failed to deliver. Claimants demand the delivery of an efficient, reliable and accurate service within a reasonable time. That can be achieved only by reforming the existing mixture of different decision makers into one.

It is accepted that that change alone will not deliver the objectives, and that it must be supported by other changes if we are to improve the decision-making process. The chief executives of various agencies should be responsible for ensuring that staff decisions are as accurate, simple and clear as possible. Training, advice and guidance must be improved, and that will become the responsibility of the chief executives when the Bill passes into law. It is a step in the right direction.

Concerns have been expressed in lobbying papers that I have received about the monitoring of decision making, which is at present carried out by the chief adjudication officer. I am content that the responsibility should lie with the chief executive of the relevant department. The monitoring process is now well recognised and understood, so it is important that it should continue. However, chief executives must report the results of monitoring to the Secretary of State to whom they are accountable. Although that process of accountability is important, the results of monitoring exercises must be reported publicly. Accordingly, before moving to my second reason for supporting the legislation, I invite my hon. Friend the Minister to confirm whether the Department intends to require the publication of chief executives' reports.

I come now to my second reason for supporting the legislation. As has been explained on more than one occasion, it is a nonsense that claimants are often required to provide the same information in different forms when claiming different benefits to which they are, or may be, entitled. The sharing of information between and among agencies and between agency departments is a logical and a necessary step toward improving efficiency. Clause 3 will allow that to happen: it should greatly reduce the frustration experienced by many claimants and lead to increased efficiency and accuracy in the decision-making process.

The use of technology is not limited to sharing information, however, and may be brought into play not merely as an aid to the decision-making process, but as the process itself. At present, a number of decisions are made by computers, although the hard copy—the decision—is checked and signed by an adjudication officer. To the extent that clause 2 permits a decision to be made by a computer as opposed to an individual, it is but recognition of a growing reality. I believe that it is an appropriate extension of the value of new technology to better service delivery.

Mr. Letwin: If a computer makes an error, will it be held accountable in law? Will it be punished? Does the hon. Gentleman believe that a computer is a responsible agent? How does he justify inserting into English law the general principle of computers' making decisions?

Mr. Browne: It is difficult to take that intervention seriously, but I shall endeavour to do so. At the risk of

[Mr. Browne]

walking a well-trodden path, the Bill does not introduce the provision into English law—I assume that the hon. Gentleman's concerns go beyond the boundaries of the country that is uppermost in his mind. The concept of computerised information and the reality of its being accepted in law already exist. Many provisions throughout many areas of law—both north and south of the border—recognise that we live in this part of the 20th century and that, as a matter of fact, computers make decisions and hold information that is valuable to the judicial process.

Apart from acknowledging that we live in this part of the 20th century, the hon. Gentleman and others must get used to reality in regard to the benefit system. If we are to introduce into that system the accuracy that the number of complaints necessitates, it is almost imperative that we recognise the worth and use of technology. It is a fiction to imagine that decisions made by computers, which are becoming increasingly more reliable, are being made by persons who simply append their signatures to the hard copy. By spelling it out clearly, the provision recognises the reality regarding many such decisions that are made at present and prepares the ground for taking many other decisions in the same way, using good computer technology. Although I suspect that the hon. Gentleman was not being entirely serious, I hope that my answer has dealt with his concerns.

Mr. Letwin *rose—*

Mr. Browne: I am sorry, but I must proceed.

My third reason relates to the complexity of the current system, which is compounded at each level. In addition to six different initial decision makers and 13 types of decisions, there are about 20 different appeal routes and five different tribunal systems. Rationalisation and modernisation of the review and appeals procedure are long overdue.

The Bill's provisions for informal review are welcome—indeed, they were generally welcomed by those who responded to the previous Government's Green Paper. The advantages identified by the respondents included the early rectification of mistakes, better explanation of decisions and the early weeding out of cases that would be hopeless appeals. Whether a claimant can avail himself of the significantly improved review process set out in the Bill may depend, ironically, on the clarity of the initial decision. That takes me back to my first point, so I move on.

I look forward to seeing the regulations that will prescribe the procedure for the revision or review of decisions. It would be helpful if those regulations included a time limit for completing the informal revision, to be imposed not only on the applicant, but on the agency. I am pleased to see that clause 10, in response to submissions made to the Green Paper, includes provisions that protect claimants' rights as to the effective date of review decisions and appeal time limits.

As to reviews, it is mere common sense that, where an appeal is current, it should generally lapse if the decision is revised before the appeal is determined. In such circumstances, the operative decision for all practical purposes will be the revised or reviewed decision. It makes a nonsense of any attempt to improve the review procedure to allow the possibility of a reviewed decision and an appeal running at the same time.

In respect of reviews and appeals, concern has been expressed about the provision that does not require consideration of issues not raised by the original application or raised specifically by the appeal. I return to an issue that I raised earlier by way of intervention. As I understand the basis of the criticism, it is alleged that the provision—which, in respect of appeals, is to be found in clause 13(7)—will curtail the powers of tribunals and turn them into adversarial forums; operate to the detriment of claimants, who are perceived to be the weaker parties in appeals; and restrict the investigatory functions of tribunals. That seems to be stretching the Bill's words beyond breaking point.

I submit that the provision does nothing of the sort. It does not prevent the Secretary of State from exercising a revisory or review function, or tribunals, in exercising their quasi-judicial functions, from acting on their respective initiatives to consider relevant factors, although they were not raised in the review application or in the appeal. I trust that the provisions, in law, will not be used to disqualify relevant arguments or considerations, but will be reserved for the purpose for which they are clearly intended: to prevent the introduction of irrelevant considerations in appeals or reviews.

I believe that the provisions of the Bill that have generated the strongest criticism are those that relate to the appeals process. The introduction of flexible arrangements for handling appeals found little support in the responses to the Green Paper. Those who responded in that vein—that is, those who did not find the arrangements favourable—no doubt have repeated, and will repeat, their criticisms in their response to the Bill. Although I respect their opinions, which I understand—and I understand the arguments that have been made in support of them—it is significant that there were only 10 recorded responses in the consultation process. I am far from satisfied that the responses that sought to argue for the status quo were representative of the experience of individual claimants.

It is a daunting prospect for an individual, whether he is represented or not, to face the prospect of a social security appeal or an appeal against a decision in respect of child support. The documentation is often couched in terms that make it impossible to understand. The delay involved in the appeals process is indefensible, and the personal anxiety and trauma generated by it often compound the ill health of many people, some of whom are the weakest in our society.

There is no need for five separate tribunal jurisdictions, when one single independent body would do. The delay in dealing with cases is caused substantially by the need to convene a tribunal of three persons, composed of the right experts and, since 1984, chaired by a lawyer.

I have constituents who have waited for nine months for an appeal, only to be advised at the door of the tribunal that the tribunal personnel were inappropriate and that the case would have to return to the waiting list. I have other constituents who have waited up to two years for a tribunal hearing, despite early correspondence from the independent tribunal service advising them that they could expect their case to be heard within nine months of the appeal.

The culture of delay has created an atmosphere of lethargy in the appeals system. Time limits are often ignored, particularly by adjudication officers, who fail to submit the documentation in support of their decisions timeously, which merely compounds the problem.

The rigid requirements for the hearing of appeals are calling out for greater flexibility. It should not be necessary for hopeless cases that are destined to fail for obvious reasons to wait in the queue, clogging up the system and delaying cases that have greater merit. It is not important that all appeals be chaired by lawyers. What is important is that there is flexibility in the appeals system, which allows an appropriate tribunal to be convened to deal with the issues raised in an individual case.

The provisions of the Bill give such flexibility. They preserve the independence of the appeal body. They preserve the rights of appeal from the appeal body to the commissioner and, ultimately, to the appropriate court. They will operate in conjunction with the changes brought into law last October by the previous Government, which introduced a presumption that appeals would be disposed of on the papers and that a claimant would be required to opt for an oral hearing. As a package, they represent a partial modernisation of the social security system which, when operating properly, will streamline the appeals process, quicken appeals, weed out of the system hopeless appeals and in the end help to deliver what the claimant wants—a fair, just, understandable and correct decision on his claim.

What would those who argue against the reform have the Government do? It has taken almost a century from the introduction of means-tested benefits to get the whole system into its present complex state. There is no prospect of a quick fix for the present mess. The voices of those who call out for a simpler, more easily understood, more transparent and more customer-friendly system of benefits will find an echo on the Government Benches. It will take time and significant legislation to unravel the present labyrinthine system. Until then, we must tackle the problems that can be resolved.

The imperative is that the decision-making and appeals process is improved. Such improvements are heralded in the Bill—improvements that will not only deliver administrative cost reductions, and they will, but deliver benefit entitlement more quickly. For those reasons, I commend the Bill to the House.

7.33 pm

Mr. Oliver Letwin (West Dorset): My main purpose in speaking this evening is to discuss the wider implications of clause 68, but before I do so, I wish to continue a point that I raised earlier, which was genuinely intended in an entirely constructive and non-controversial spirit.

I referred specifically to English law, because that is what I have had the time to research. I have not been able to find a single instance in English law—statutory or otherwise—where decision-making power has been attributed to a computer. The hon. Member for Preston (Audrey Wise) raised this point first, thereby showing that it is an entirely cross-party matter. It is a matter of some significance to the development of the corpus of our law whether computers are attributed with decision-making power. This should not be lightly dismissed. It is not, perhaps, a matter for the Second Reading debate, but I give notice that it should be discussed in some detail in Committee, because we might find quite unexpected consequences if the measure is passed in its present form.

I shall now deal with the much more immediate and serious matter of clause 68. Various Opposition Members, including, notably, my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), the shadow Secretary of State, spoke eloquently about clause 68. By contrast, the Secretary of State said very little about it. Indeed, it was evident from her response to interventions—or attempted interventions—that she was in a state of some confusion and dismay, so much so that she apparently thought that she had allowed me to make an intervention and had responded to me, when I had made no such intervention and she had not responded to one. That would reveal a state of mind based on a certain embarrassment. The cause of her embarrassment is, of course, clear. She is on record, as are many of her right hon. and hon. Friends, as opposing the very measure that she now brings before the House.

The hon. Member for Perth (Ms Cunningham), who is not in her place, made the observation that, increasingly, there is little difference between Opposition Members and Government Members in respect of measures such as this. I submit that there is a very major difference: Opposition Members approve of the change that clause 68 makes in bringing into balance the benefit for lone parents and married couples; Government Members are introducing this measure, but do not approve of it. Opposition Members believe in it, but Government Members do not.

That is a fundamental difference. To introduce changes in which one believes, which are tough and much resented by some of the population and which will have wide-ranging social effects over a prolonged period is one thing, but to introduce such changes on the basis of a lack of belief is quite another. It betokens an attitude to government that will fundamentally undermine such remaining respect for government as there is in this country, or as will remain following the constitutional and other changes that the Government are introducing.

Clause 68 is important because it illustrates that the attitudes that the present Government brought from opposition, attitudes that consist of being willing to say things quite divorced from real belief, have been carried into government and are being applied to an important element of our social policy. Opposition Members believe in this measure because we believe that, for too long, there has been discrimination in various parts of our tax and social security arrangements against married couples, against the family. We believe that clause 68 reintroduces a certain equilibrium.

Hon. Members on the Government Benches—not just on the Front Bench but on the Back Benches—are notable for their absence in defending this proposition on any similar social grounds, yet it is a measure that will, over time, have a profound effect on the social composition of this country. That is a remarkable and dangerous phenomenon in government.

Clause 68—a relatively slight clause in drafting terms—has a further implication. As my hon. Friend the Member for Chingford and Woodford Green mentioned, the clause illustrates clearly—as shown by the fact that it is not believed in by the Government, even though they are introducing it—that the Government's attitude to

[Mr. Oliver Letwin]

social security is now entirely driven from another part of the Government, the Treasury. In this particular instance, we on the Opposition Benches regard the intervention of the Treasury as by mistake benign. It has brought about a transformation in the ostensible attitude of the Department responsible for this legislation which we welcome. If it becomes a general principle of the Government's actions in social security that, without regard to social effects, whatever policies improve the Exchequer's position will automatically be adopted and enacted, we have much to fear from the forthcoming wide-ranging reviews which we are promised.

Pity the position of the Minister for Welfare Reform when he comes to address the great issues of pension reform which Conservative Members so earnestly wish to see and in which we wish him the best. Pity him if, having been saddled with the retention of the state earnings-related pension scheme in a recent statement in the House, and having been saddled with a Treasury-led attack on the private pension funds to the tune of £5 billion a year, he is now saddled with a general principle that, whatever changes he makes, no regard whatever should be paid to their long-term social effects, but should instead be based entirely on considerations of cost saving. It is unthinkable that, under such constraints, even one so profoundly versed in these matters and so noble in his intentions as the right hon. Gentleman, could conceivably produce a well-founded reform of pensions that will withstand the test of the coming decades in Britain.

That is a sad thing for Britain because we need much reform in social security, much that is in the Bill, and much that will no doubt be or would have been in the reform of pensions had this Treasury straitjacket not been applied and had there not been such a will on the part of the Government to abandon every thought of long-term social policy and to be guided only by considerations of cost.

In clause 68 alone, we see a demonstration of two attitudes to government that Conservative Members lament and, in due course, the British people will lament, attitudes that forgo any consideration of social policy and allow the Treasury to rule.

Mr. Browne: Will the hon. Gentleman explain where the increased child care disregard provisions, which my right hon. Friend the Secretary of State mentioned, and the new deal for lone parents, which was piloted from yesterday—in Scotland it was piloted from today and I would have been there to see it but for this debate—fit in with the concept of a Treasury-constructed straitjacket? How are those measures Treasury driven?

Mr. Letwin: That is a remarkable intervention because, in a most remarkable way, it allows me to illustrate the very point that I am trying to raise. It is perfectly true that certain cosmetic measures have been implemented. *[Interruption.]* It is interesting that Labour Members should laugh, because the hon. Member whom I should like to quote in that regard is that well-known proponent of harsh Tory policies and that well-known inhabitant of the Conservative Benches, the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), who gave a passionate, well-informed and devastating analysis of the other changes that have been proposed in respect of lone parents, pointing out that they will be virtually without effect. By contrast, it has been stated on the record repeatedly, not only by the Secretary of State but by the Prime Minister and others, that this change is dangerous because it creates a considerable diminution in the immediate income of lone parents.

As I say, Conservative Members have no objection to that change because we believe that it creates an equilibrium, but the fact is that the costs saved by this measure are out of all proportion to the costs incurred by the other measures and the costs imposed on the lone parent are out of all proportion to the costs saved by the lone parent through the other measures.

Mr. Browne: Will the hon. Gentleman please explain for my guidance, if for that of no other hon. Member, whether his calculations are based on the calculations of his hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) or on the calculations available to us all in Library research document No. 93 of 1997, which appears to have different and substantially lower figures than those quoted by his hon. Friend? Most important, figures that have been independently calculated and have been provided by the Library suggest that there is parity between one of the provisions about which I asked the hon. Gentleman and the total savings from this measure.

Mr. Letwin: The contrast is between the effect of clause 68 in its first year and its cumulative effect over many years. The cumulative effect over many years will be substantial because increasing numbers of people who would have entered benefit in a particular mode will have entered it in another. Over the years, it is Conservative Members' firm belief, and, we understand, it was the firm belief of Ministers and officials in the previous Government, including those officials who were no doubt responsible for drafting the Bill, that the measure's cumulative effect will far outweigh the sums that it is claimed will be saved by the other measures to which the hon. Gentleman referred.

Mr. Browne: With respect, will the hon. Gentleman deal with the simple point? Is he making the point based on the figures that the hon. Member for Chingford and Woodford Green used, or is he using the apparently independent figures that are available from the Library?

Mr. Letwin: This may be becoming tedious to other hon. Members, but I shall reply finally to the point. Yes, I am basing my remarks on the cumulative effect as mentioned by my hon. Friend the Member for Chingford and Woodford Green and by others, including my hon. Friend the Member for Beckenham (Mr. Merchant) who, for a long time, was parliamentary private secretary to the previous Secretary of State for Social Security and has great expertise in the matter. There is no doubt that this change will have a large cumulative effect and I have no doubt that the matter will be further amplified when the Under-Secretary replies to the debate.

Clause 68 contains—I do not think that there is any doubt about this—a measure which is opposed on social grounds by the Department that is putting it forward in the Bill and which is proposed by its Treasury paymasters. It is a principle of government that will put at risk

Britain's entire social development over many years if it is carried forward into the wide-ranging reviews that are now promised.

7.47 pm

Mr. Phil Hope (Corby): I congratulate my hon. Friends on making some well-informed and constructive contributions to and interventions in the debate. That is in stark contrast to Conservative Members, many of whom are no longer in the Chamber, who seemed to display their profound ignorance of the social security system. They still seem to be living with a world view based on 18 years of economic and social failure rather than seeing this as an opportunity for moving forward.

I have no doubt that the postbag and surgery case load of every hon. Member are dominated by the concerns of hundreds of individuals and their families who rely on the social security system for their financial survival and security. I am sure that each and every one of us can tell some horrific tales of individuals who feel and who have been let down by a system that is supposed to provide them with the financial support that they so often desperately need, yet all too often fail to get.

It is a system that touches the lives of millions of people. In Northamptonshire alone, where my constituency of Corby is situated, it has been estimated that 100,000 people are dependent on means-tested benefit. If all those who were eligible were to claim their benefits, that figure would rise to nearly 124,000 people. That is one in five of the Northamptonshire population. Therefore, 20 per cent. of the people of Northamptonshire are on incomes so low that they qualify for means-tested benefits to prevent them from living below the official poverty line. A significant proportion of the population are failing to claim the benefits to which they are entitled. That is the reality of 18 years of Conservative government and the legacy that the Labour Government have inherited. It is, therefore, no surprise that the Government's key priority is to introduce a Bill to reform the welfare state.

We must pledge ourselves to providing a better service for people who claim or who want to claim benefits. Rebuilding public support for that system is just as vital. Nationally, we spend £93 billion on the social security system through its five main agencies, yet, in direct contrast to public attitudes to the national health service, instead of celebrating that as evidence of a caring community in which no individual is left to live in poverty, the system that was put in place to meet people's needs is now viewed by claimants, staff and other agencies affected by it as over-complex, inefficient and manifestly unfair.

It is nonsense that people who use the social security system have to provide the same information about themselves several times over to different parts of the same organisation. Those of us who have a lot to do with social security departments know that much of the information technology used to administer benefits is outdated and clearly needs replacing. That repetition of information using outdated technology is a terrible waste of time and effort for service users and departments, and for taxpayers, as it wastes significant amounts of money.

Without doubt, there is a consensus that the task of modernising the welfare state and rebuilding public support for it requires a programme of reform to make the system modern, efficient and fair. If we change public attitudes so that people respect and value the social security system, we will remove the undeserved stigma that is all too readily attached to people who rely on that system, and we will help to rebuild the morale and enthusiasm of the staff who work in it.

I hope and believe that the Social Security Bill will be the first step in a programme of reform to rebuild the public's faith and confidence in the system. We can take it as read that the system is over-complex and unduly bureaucratic. We spend almost £4 billion just to administer it. The process of decision making and appeals is difficult to understand not only for those receiving benefits but for the staff who administer the benefits and many of the organisations that give advice.

We have heard already that there are six different types of decision-making officers at the first tier, and that the variable quality of decision making by those officers is all too evident. The chief adjudication officer's statistics show that 68 per cent. of benefit decisions, such as those about family credit, involve possible payment errors.

There are five separate tribunal jurisdictions for appeals, including the social security appeal tribunals, the medical appeal tribunals, the disability appeal tribunals and the child support appeal tribunals. The result of this complex and unwieldy system is that people who appeal against a decision must wait an average of six months, and sometimes up to two years, before their appeal is heard.

Those problems are widely recognised in Government studies and by independent observers. They contribute directly to the underclaiming of benefits by people who are entitled to them. Northamptonshire county council's policy unit said:

> "The complexity of the system makes it difficult to understand and difficult to access which leads to a significant proportion of benefits going unclaimed every year."

For every person who does not claim benefit, there is another who is possibly living below the poverty line and below the standards that we expect as we move into the 21st century.

It is appropriate for me to take this opportunity to recognise the excellent work of welfare rights centres and citizens advice bureaux, which play a vital role in assisting individuals and families to make use of the existing, albeit inefficient, social security system. Last week, I attended the annual general meeting of the welfare rights advisory service in Corby. I am looking forward to speaking at the open day of the Corby citizens advice bureau in September. Those services are vital to people in my constituency on low incomes, who struggle to grapple with the complexities of the current social security system.

In one year in Northamptonshire alone, the welfare rights centres and citizens advice bureaux dealt with 52,000 inquiries about benefits. Local research has shown that advice provision is one of the most effective ways of increasing benefit take-up rates, and consequently is an important way of tackling poverty and maintaining incomes for those on low incomes who are entitled to social security support. The Corby and Northampton welfare rights offices, which dealt with 27,000 of those inquiries, last year generated more than £5.3 million of annual income for local people. On behalf of the people who have directly benefited from their help and advice, I pay a heartfelt tribute to those agencies for that tremendous achievement.

[Mr. Phil Hope]

We all want a system that does not require people to seek advice from welfare rights centres or citizens advice bureaux about obtaining the benefits to which they are rightly entitled, or to plough their way through the forms and the maze of the appeals system. I believe that the significant measures in the Bill will reduce the complexity, inefficiency and unfairness in the present system. I hope that the Bill will ensure that people receive the benefits to which they are entitled, at the right level and with minimum bureaucracy and delay.

The Bill will helpfully pave the way for reforming the system around the needs of claimants, so that people need give information about themselves only once. We should also make better use of information technology so that the system is efficient. The Bill will simplify the way in which decisions are made, and will streamline the appeals procedure. That will give a better service to those on benefit and to those wishing to claim, and will crucially cut waiting times. It will reduce the number of decision makers at the first tier from six to one. It will replace the many different tribunal jurisdictions with a single independent body. It will remove the rigid requirement for all cases to be heard by a three-person tribunal, and will enable the president to have the right expert for different appeals and for different claimants. It will allow tribunals to correct their own mistakes quickly and readily, rather than using the unwieldy system above the tribunal procedure. Those measures will substantially cut the waiting times that people currently have to endure. More important, the Bill will enable the public to be assured that the system of appeals is independent and impartial.

I have focused primarily on measures in the Bill that affect procedures within the social security system, but I should like to draw attention to its impact on national insurance contributions, about which we have had only a small discussion. The Conservative Administration failed completely to ensure that there was an effective system for compliance with national insurance contributions. A minority of employers do not fulfil their responsibilities on national insurance contributions. That is unfair to employees, who lose out on their rights to benefits, and it is unfair to other employers, such as those in my constituency who pay their fair share.

I am pleased that the Bill includes a number of measures on national insurance contributions to make the system fairer. It closes loopholes to limit avoidance, by allowing national insurance contributions to be charged on vouchers used by employers to pay their employees.

The Bill will increase compliance by introducing a new system of cash fines for minor non-compliance, and, I hope, new criminal penalties for serious cases of deliberate evasion and fraud. It will also cut red tape. The Conservative party promised that, but never delivered it; we promised it, and, like so many of our other promises, that promise has been implemented. It will be easier for employers to keep their fair share.

As others have pointed out, even when the Bill has been enacted more will need to be done to ensure that the welfare system works well and has the fullest possible public support. I am, however, confident that many measures in it will mean that users of our social security system will be better served, that staff will find it a better system in which to work and that the public will have more confidence and faith in it. I think that it will become a system of which we can all be proud.

8 pm

Mr. Howard Flight (Arundel and South Downs): The Secretary of State's presentation of the Bill struck me as disingenuous. The Bill is, fundamentally, about saving money—as has been pointed out, it is the "Peter Lilley memorial Bill"—and I think that it would have been better had the Secretary of State made that clear. As my hon. Friends have said, we do not oppose the Bill as such, although I have reservations about it, but I would have liked it to constitute the beginning of a radical reform of social security expenditure. That is what Conservative Members, and the nation as a whole, expect from the Minister responsible for welfare reform.

Many hon. Members have mentioned the figure of £93 billion social security expenditure. Before we know it, it will be £100 billion per annum. The issue is that some 30 million people who pay into the system also derive benefit from it, which leads to substantial administrative costs in the middle. Our welfare system should focus much more on those who are in real need. There are many areas in which the private sector could deal with requirements just as well as the public sector, and many respects in which the national insurance scheme should return to its early principles and become an insurance system again. Because it is not, our citizens do not understand it.

As many hon. Members have pointed out, the Bill aims to block national insurance contribution avoidance. While we all welcome that, there is an obvious corollary: will it adequately investigate areas in which fraud still exists in the claiming of benefits? I think that we have all experienced that in our constituencies. The simplification and improvement of decision making and procedures for appeals must of course be welcome, for the many reasons that Labour Members have given. I am, however, concerned about clause 70, which I believe is designed to save some £50 million a year in expenditure. It has been argued that its impact may not be as bad as it appears on the surface, but the number of cases that I have encountered of need arising from the break-up of families, and from death, suggests that the restriction of the back-payment period from three months to one would involve a good deal of injustice. I also question whether the cost savings that are being sought will be achieved.

Clause 23 also seems somewhat hopeful, although it may be necessary in that the simplifications entailed in the Bill are not so great that many applicants will not still need help in completing their forms, and the penalty for inadequate applications is likely to produce a vicious circle and still require the attention of social security staff. As my hon. Friends have pointed out, clause 68 constitutes a remarkable U-turn on the part of the Secretary of State. I am sure that, if she had been asked six months ago whether she expected to present a Bill to take away lone-parent families' premium child support, she would have sworn that that would not happen. As recently as January, the Prime Minister effectively pledged that the Labour party would not take such action.

Let me make a practical point. To the extent that the Bill is the price for the more generous "minder" allowances, it seems to me that, if anything, it benefits the

better-off lone parents at the expense of the less well-off. I do not think that the two measures contained in the Budget and in the Bill do much to advance the cause of those who are really in need. My main point, however, is that the whole matter of lone-parent families needs a massive review. Legislation is needed to deal with a wide range of problems.

In virtually every constituency case with which I have dealt, one or other parent has walked away from his or her family responsibilities in the knowledge that the state will pick up the bill. That means a terrible crisis for the parent who is left to bring up the children. What such people need above all is organisational help with, for instance, accommodation and employment. Our welfare system does not cope with such crises very well at the time when they occur.

We need a stick-and-carrot approach. There are many families on ordinary incomes with children to bring up. I receive numerous letters from such people who resent the fact that others enjoy a better standard of living than theirs, and are entitled to benefits to which they are not entitled. The Government have merely tinkered with the position of lone parents in order to save money. I looked forward to radical Government proposals to reform lone-parent social security arrangements, and to deal with the circumstances in which society meets lone parents' needs. While I do not oppose the Bill, I feel that the Government are being disingenuous in terms of what they are doing, and in terms of what they have implicitly promised the nation—radical reform of social welfare.

8.6 pm

Mr. Chris Pond (Gravesham): I am sure that we can offer the hon. Member for Arundel and South Downs (Mr. Flight) some radical reform in the months and years ahead. I hope that the Bill constitutes a first and important step in that direction.

The hon. Member for Perth (Ms Cunningham)—who is no longer in the Chamber—suggested earlier that Labour Members who planned to vote in favour of the Bill should be ashamed of themselves. She will be able to read in the *Official Report* that I shall support the Bill, and that I shall not be ashamed of doing so. Having spent 18 years working for an organisation called the Low Pay Unit—I took over the job from my right hon. Friend the Member for Birkenhead (Mr. Field), who is now the Minister for Welfare Reform—I, along with other Labour Members, require no lessons on the need to create a fair and efficient social security system. As we all know, the current system is neither fair nor efficient. It stigmatises those who must turn to it when they are at their most vulnerable. It is unjust, and it deprives people of their dignity and self-respect. I hope that the Bill will contribute to the creation of a social security system that will give people back their self-respect.

I want to take a slightly broader brush to the issue—not a paint roller, I promise—and to examine the Bill in a wider context. Travelling to a conference on social security last week, I was amused to read in *The Daily Telegraph* that young ladies in a certain social stratum were nowadays being accosted by young men inquiring about the size of their grouse moors. There does not seem to have been much of a change since the Edwardian days when gardening manuals advised people that, no matter how small their gardens were, they should always allocate at least three acres to woodland.

We need to recognise that we are discussing the Bill in the context of a deeply divided society, in which the divisions have become still deeper in recent years. The inequalities have increased faster in this country than in any other in the industrialised world. Therefore, while some people make decisions about the size of their grouse moors, others have to make difficult decisions about whether they feed themselves or the kids, normally choosing the latter option, and whether they pay the gas bill or buy their child a new pair of shoes for school. The way in which the social security system operates at present adds insult to the injury of those people, who are literally on the edge.

With impeccable timing—I shall not give it a large plug—today saw the publication of an important report called "Breadline Britain in the 1990s". It took a representative sample of the British population and asked them what they considered poverty really meant. In recent years, so much of the debate has been about whether poverty means not having a video recorder or a new pair of shoes.

The report then took the generally accepted definition of poverty and considered how many people were in that position. The results are a shaming indictment of a nation that likes to consider itself one of the richest in the world. They show that, in the early 1990s, 11 million of our citizens were living in poverty, 3.5 million more than in 1983. A fifth of the total population were in poverty, measured by those generally accepted standards: 10 million of our citizens lived in inadequate housing as the living areas of their homes were damp, unheated or overcrowded; 7 million people were without essential clothing, such as a warm waterproof overcoat; 2.5 million children were forced to go without at least one of the things that they needed, such as three meals a day, toys or out-of-school activities; 5 million were not properly fed by today's standards; and 6.5 million people could not afford essential household goods such as a fridge, a telephone or carpets for living areas.

Most shameful of all perhaps is the fact that, on the basis of the Department of Social Security figures, the number of children in poverty has increased from one in 10 in 1979 to one in three in the mid-1990s. We need to listen to some of the comments from Conservative Members with those figures in mind. That is the challenge that this new Government face, a challenge of enormous dimensions in terms of the scale of poverty. The Bill will make a small but important contribution towards ensuring that, as part of an overall package of reform, that problem can be addressed.

We have often heard Conservative Members say that the United Kingdom is the "success story of Europe". We should bear it in mind that we account for one quarter of the poor throughout the European Union, and that was true even before the opt-out from the European social chapter.

Mr. Webb: In the hon. Gentleman's long and distinguished time at the Low Pay Unit, did he ever advocate and support the principle of universal benefits such as child benefit and lone-parent benefit, and indeed advocate that they be increased?

Mr. Pond: I thank the hon. Gentleman for that intervention, especially as it is not a difficult one to get around.

Mr. Flight: Answer the question.

Mr. Pond: I shall do. I have long advocated and will advocate again this evening the principle of universal

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benefits. One of the difficulties that we face in the social security system, and one of the reasons why our system does not deliver to the people most in need and stigmatises those who have to turn to it, is that it now so heavily depends on means-tested benefits. That not only creates dependency among people claiming those benefits, but traps us as a society in a situation where the expenditure escalates—the cost of economic failure. As the hon. Member for Northavon (Mr. Webb) well knows, I have also advocated an improvement in the level of benefits.

In recent years, there has been an attempt to widen those divisions between the poorest, whom we are discussing tonight, and the rest of society. That was justified, apparently, on the ground that it would generate prosperity, but Britain has slipped down the prosperity league. Only Greece, Portugal and Spain have a lower national income per head than Britain. That is because inequality is not only socially divisive and politically dangerous, but economically wasteful.

I do not think that any hon. Member believes that the Bill of itself is going to eradicate that poverty or that inequality, but we owe it to people who depend on social security benefits to ensure that the system delivers in the most effective and efficient way possible. That is one of the Bill's objectives and it is an important one. We need to ensure that the system uses the most modern technology available to deliver to claimants. We owe it to those on social security to ensure that they are treated with dignity and respect, and to the poorest families to ensure that, wherever possible, they are given every opportunity to lift themselves off social security and into work which provides them with a decent standard of living.

As my right hon. Friend the Secretary of State has explained, the Bill does not stand alone. It is part of a wider strategy of welfare to work. She referred to the fact that one in five non-pensioner households have no one in employment. That is almost the highest proportion in the EU. The creation of jobs and quality training places through the new deal will do far more to alleviate poverty than anything we might do in terms of social security benefit, so I argue that people who depend on social security should be treated with dignity and should be provided with a level of income that allows them to meet the needs of themselves and their families with self-respect. I also believe that it is important that, wherever possible, we allow people an escape route from dependency on benefits.

As we know, many families are consigned to poverty because the parents have no opportunity to work. That is why the measures that were described earlier—the new deal for lone parents and the extra £200 million—are so important in providing real choices. As we know, most of those single parents, if they had the choice, would prefer to work. Perhaps most important, we must remember that the single largest group in poverty—the working poor—is little touched by the Bill.

I have mentioned that I used to work for the Low Pay Unit. Its case load illustrates that, in current circumstances, for many people, paid employment is no escape from poverty. One young woman is employed as a typesetter and works 47.5 hours a week, just below the working-time directive limit, for a wage of £57.69 a week. If my sums are right, that is equivalent to £1.21 an hour. Another is employed as an administrative supervisor in London for a wage of £1.55 an hour. Such pitiful rates of pay allow those people no escape from dependency on social security, however harsh that system is, and mean that they are consigned to relying on benefits.

Those people are among the poorest, but they are not necessarily on social security. That is why it is so important that the national minimum wage is part of this package of measures—to provide people with earnings so that they can provide themselves with a living that is worthy of human dignity. The position of that group will also be greatly enhanced by the Bill's measures on national insurance contributions. Too often, people, especially those in low-paid and insecure jobs, are the victims of cowboy employers who swindle not only the national insurance fund out of revenue, but their employees out of entitlement to benefit. They not only consign those individuals to poverty while in work but help to ensure that, when they are not in work, they will not have sufficient entitlement to benefits to lift themselves out of poverty at those stages of the life cycle. The growth of means testing has meant that millions are entangled in what used to be described as a safety net but which is that no longer. We should make sure that, when people turn to the social security system for support, they can do so with dignity and can expect fairness. We should also make sure that as few people as possible have to turn to the system for help.

The Bill is part of a process of modernising the welfare state in terms not just of new technology but of helping people to become active citizens instead of passive recipients of benefits. It is also about returning to people dignity and self-respect. That is why I am happy to support the Bill, which is an important element of a package of overall welfare reform.

8.20 pm

Ms Gisela Stuart (Birmingham, Edgbaston): I am grateful for the opportunity to follow my hon. Friend the hon. Member for Gravesham (Mr. Pond) as I should like to take up some of his points. Before doing so, I will deal with the issue of computer evidence, which seemed to exercise the minds of some hon. Members.

In a previous incarnation I taught criminal and civil evidence to students. I remind Conservative Members of the poll tax. The issue arose of whether computer printout was admissible as court evidence. The Bill's provisions simply allow computer appeal decisions to be admissible as evidence in subsequent proceedings. That is not so much an innovation in English law as pre-empting a loophole in terms of whether computer printouts are admissible in courts and tribunals.

I am not afraid to acknowledge the Bill's antecedents as being part of the Department of Social Security programme for change. Its aim was to cut costs by 25 per cent. I have no problem about such objectives because we support efficiency and effectiveness. However, I have a severe problem over the absence of joined-up thinking among Conservative Members. The Conservative Government looked only for savings in the system but did not look at the effects on claimants. Did they deliver a fair, modern and efficient social security system? They did not.

My hon. Friend the Member for Gravesham made it clear that we have taken parts of the Conservative Government's initiatives as a starting point. However, the

philosophy of our approach to social security is very different. We want to take as many people as possible out of the system and put them back into work rather than consign large sections of the population to a claimant culture and think that we can ignore them, which is what the Conservatives did. *[Interruption.]* Hon. Members are at liberty to disagree.

The Bill is simply the first step on the way to introducing a modern, efficient and fair system. Perhaps I may add an extra dimension to the speech by my hon. Friend the Member for Gravesham. We tend to forget the scope of the social security system. We have been reminded that a third of Government spending is on social security. The number of claimants is horrendous. There are more than 1 million claimants for attendance allowance; 7 million for child benefit; more than 5 million for council tax benefit; and 1.7 million for incapacity benefit.

The social security system employs just under 100,000 people, but somehow we have achieved a system that is universally hated. Those who use it dislike it intensely and those who pay into it feel that it is not achieving anything. It is a classic worst-compromise scenario. No one is happy with it, and Conservative Members have never addressed that. Apart from the amount that we spend on claimants, I remind the House that 42 per cent. of beneficiaries are elderly and 24 per cent. of them are sick or disabled. They are the people least able to speak up for themselves. We have ended up with a system that is too complicated. It was designed to exclude people and to make it difficult for people to work out their entitlements rather than to be genuinely supportive.

The northern edge of my constituency has a little area called Fiveways which houses many civil servants, some of whom run a brilliant helpline. People could ring an 0800 number and receive universal advice on benefits. I should have thought that it was in the interests of any responsible Administration to ensure that those who need to claim can do so effectively and fairly. However, the Conservative Administration saw fit to do away with that helpline. At the same time, the social security offices in Birmingham went ex-directory, making it doubly difficult to get in touch with anyone.

The Law Society was one of the bodies that made submissions on the Bill, and I should like to refer to its submissions even if it did get some of them wrong. It gave the initiative an overall welcome because it thought that it would increase accuracy, speed and general effectiveness of first-tier decision making for social security benefits. We approve of that, but for Conservatives to conclude that we have swallowed their approach to social security hook, line and sinker means that they think that Labour Back Benchers do not have two brain cells to rub together and cannot think for themselves. That is wrong.

For many years the system has not delivered what was needed for our people. We recognised that it required long-term renewal and we are starting by examining some of the procedures for first-tier decision making, but that is merely the beginning. Some hon. Members who sought a more radical approach to social security felt rather let down. I urge them to hold on and wait. *[Interruption.]* We may have a better track record than Conservative Members and the electorate did not trust them.

I particularly welcome the provisions in part II of the Bill, starting with clause 68, which deals with national insurance contribution measures. It is about closing loopholes to eliminate avoidance. If I have the wrong clause number, I am sure that Conservative Members will correct me.

Mr. Burns: I thank the hon. Lady for giving way. I was particularly fascinated—

Mr. Deputy Speaker: Order. Is the hon. Lady giving way?

Ms Stuart: I shall be generous and give way.

Mr. Burns: I am grateful to the hon. Lady. I was interested to hear her say that she whole-heartedly supports clause 68, which withdraws the lone-parent premium for child benefit and income support.

Ms Stuart: I apologise—I meant clause 48, which deals with national insurance.

I have always been struck by the unfairness of employers avoiding making the proper contributions for employees who are then excluded from the system. The Conservative Administration unfairly assumed that fraud was limited to individual claimants and tended to ignore what went on in companies. Part II of the Bill improves compliance and cuts red tape, which will be a great help.

I welcome the Secretary of State's announcement that Government amendments will be tabled to deal with the absurd system of payment by means of Asda vouchers and the like, and with pensions, and the alignment of tax and national insurance in relation to share options.

I support the Bill simply because, like the rest of my party, I believe that the social security system needs revising and modernising. It is not delivering a fair deal; it is not delivering to the people of this country what a social security system is supposed to deliver.

The previous Administration were content to leave people in benefit dependency *[Interruption.]* I am simply making the point that the Bill is part of a much larger structure. The fact that we agree with some aspects of previous plans does not mean that we agree with the whole system. I shall vote for the Bill because I know that it forms part of the Government's larger structures and developments—and I can support it whole-heartedly.

8.29 pm

Mr. David Rendel (Newbury): I am delighted to have the chance to take part in the debate, despite the fact that my hon. Friend the Member for Northavon (Mr. Webb) and I have been sitting here on the Opposition Front Bench saying to each other that what is going on is becoming more and more bizarre. In my experience over the past four years in the House, it is almost unprecedented for the Liberal Democrats to have their reasoned amendment to a Government Bill selected by Madam Speaker.

That is good news for us, but unusual because in the previous Parliament when the then Government produced a Bill to which the Opposition objected, both Opposition parties would table an amendment and invariably the one tabled by the main Opposition party was called. Now we

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see a bizarre situation in which the Government appear to have taken over, almost lock, stock and barrel, what was previously a Conservative Government Bill. We are therefore the only people left to point out why the Bill has serious flaws.

This morning's announcement has already been mentioned by one or two Members, so it is especially interesting that on this day of all days we find ourselves the main opponents of the Government on an important Government Bill, while the Tory party supports them.

Mr. Browne: In view of the hon. Gentleman's pleasure at finding himself speaking to a Liberal Democrat reasoned amendment, perhaps he would care to look at its terms and say whether he agrees with the part which says that the Bill includes

"measures which will reduce delays in, and increase the fairness of, the appeals process in social security and related areas, or which will reduce unnecessary public expenditure".

Mr. Rendel: Of course I agree with the full wording of our reasoned amendment, only a small part of which the hon. Gentleman has quoted. It says many other things, and I shall comment on all of them. If the hon. Gentleman had not intervened at the very start of my speech he might have had the chance to hear more of the detail of what I intend to say about the amendment.

I was pleased to hear that the Scottish nationalists intend to support our reasoned amendment and to vote on our side this evening. It has also been welcome, in a way, to have had some signs of support, albeit a little half-hearted, from some Conservative Members. It was especially interesting to hear the hon. Member for Beckenham (Mr. Merchant), who unfortunately is no longer in his place, say that there might be occasions on which speed was not everything—indeed, that speed could sometimes lead to injustice. I will say more about that in a moment.

Ironically, most of the support that we have had from Conservative Members has been along the lines that Labour has now gone well beyond what the Tories originally proposed in the Bill that they intended to bring before the House. The hon. Members for Arundel and South Downs (Mr. Flight) and for Chingford and Woodford Green (Mr. Duncan Smith) both said that they were concerned about the measures affecting the backdating of benefits because the Bill went beyond the original Conservative proposal.

I shall now pick up more or less where my hon. Friend the Member for Northavon (Mr. Webb) left off. Towards the end of his speech, he said that parts of the Bill were acceptable and helpful. That is relevant to the recent intervention by the hon. Member for Kilmarnock and Loudoun (Mr. Browne). However, my hon. Friend also pointed out that the Bill as a whole was deeply flawed. If the hon. Member for Kilmarnock and Loudoun cares to read the rest of our reasoned amendment he will see that that is our view. As has been said by other hon. Members, in the previous Parliament the Labour party would have supported that view.

Mr. Browne: Will the hon. Gentleman give way?

Mr. Rendel: I will give way once more, but then I must get on with my speech.

Mr. Browne: Will the hon. Gentleman do what the hon. Member for Northavon (Mr. Webb) failed to do and read the second half of the reasoned amendment rather than quoting the "flawed" document from the Law Society? Will he spell out clearly for hon. Members interested in the legislation, who may have to follow it through its course, why he thinks that it will result in more appeals going to judicial review?

Mr. Rendel: I shall comment on that point in a moment. I knew that it was a mistake to allow the hon. Gentleman to intervene again. He keeps asking for comments that I intend to make later anyway. Moreover, to be fair to my hon. Friend the Member for Northavon, I believe that my hon. Friend also commented on that matter to some extent, so it is unfair to criticise him for having failed to do so.

The overhaul of the system that the Secretary of State mentioned in her opening speech is welcome to us, as it will be welcome to the country. There is indeed a lot wrong with the social security system and the way in which it works at present, and it needs a full overhaul.

Of course we welcome measures to counter both fraud in the national insurance system and avoidance of national insurance contributions by companies. Of course we welcome the idea that there should be quicker decision making wherever that is possible. Clearly, justice depends to some extent not only on the right result but on that result being produced as quickly as possible. Where there can be greater efficiency through computerisation of the systems, we certainly want to support that.

However, the real question that the House has to answer is: does the Bill achieve the aims that it sets out to achieve? The aims are clearly supportable, but if the Bill does not achieve them it should not be supported.

I now come back to what was said by the hon. Member for Beckenham. There will always be the danger of some sort of pay-off between speed and fairness. Sometimes a decision taken more quickly—in haste, as it were—may have a cost in terms of fairness. A decision that is wrong cannot be "better", however quickly it is taken. It is also true that a decision taken quickly in the first instance may take longer in the end, because it may in itself be flawed. A decision may be taken by a single individual who may, as my hon. Friend said, be biased. That could cause it to be taken to a judicial review, which would delay the eventual result. If we find that as a result of the Bill the processes of judicial review are being used more frequently, that will justify what Liberal Democrats have said about it today.

Clause 13 (7) has been the subject of controversy before, as a result of the flawed Law Society briefing. To those who read the clause carefully it is clear that although it may not make unfairness obligatory, in that a tribunal is not bound to ignore aspects outside the basis of the appeal which might be relevant, it certainly makes unfairness possible.

I remember a case in my constituency in which a claimant was appealing against what he thought was a wrong decision on benefits. The tribunal to which he appealed decided that the case was correct and that the claimant should get the money. The tribunal also spotted something that neither the gentleman nor his legal advisers had spotted: he had made an earlier appeal and the decision in that case had also been flawed. As a result, he was able not only to get the benefits from that point onwards, but to have them backdated for a period of about 10 years. That resulted in a considerable lump sum payment which has made a huge difference to an individual who had been suffering great difficulties.

If the Bill becomes law, the intricacies of the law that enabled that man to get his money could be disregarded by a tribunal which saw its job as being more to deliver justice quickly than to deliver full justice.

Ms Stuart: The English system is largely adversarial, not inquisitorial, and it is not in the tradition of the English court or appeals system to consider matters that are not part of the appeal. That

"an appeal tribunal need not consider any issue that is not raised by the appeal"

is standard practice in tribunal and court proceedings. I fail to see the deep flaw in the clause.

Mr. Rendel: I am sorry that the hon. Lady cannot see the flaw. Standard practice or not, I should have thought that if the system can lead to injustice she, like me, would want to oppose it.

Mr. Browne: Will the hon. Gentleman give way?

Mr. Rendel: No, the hon. Gentleman has intervened plenty of times already.

I want to respond to the comments of the hon. Member for Bradford, North (Mr. Rooney) on clause 68. In answer to an intervention by my hon. Friend the Member for Northavon, he said that in an ideal world the higher rate of single-parent child benefit would not be abolished. He said that it was okay to abolish it because the amounts involved were small and would not be helping many single parents. He appeared to forget that those single parents who are not in work are not helped by the current system—only those in work get the benefit—so the abolition of the benefit will damage only those who are in work.

It does not seem very new Labour to help only those who are out of work. I thought that part of the ethos of the new Government was to try to encourage people to work. Is that not what welfare to work means? Yet clause 68 seems to do precisely the opposite. It is a silly clause from the point of view of new Labour's ethos on work and goes directly against the Government's aims. It may, as some Conservative Members said, equalise benefits for married and unmarried parents, but it does not equalise the costs incurred by different people, and especially those who are working, so it is reasonable that their benefits should not be equal.

The Secretary of State said that in future clause 70, the backdating clause, would not really matter because the Government would ensure that everyone knew about the benefits available and everyone would always claim in time. There is an illogicality in that, because if it is true that all claims will be made in time, there is no point in withdrawing backdating as it will not save any money. Indeed, it would not matter if backdating were extended, perhaps back to where it was before the previous Government began to withdraw it.

We welcome the principle that all claims should be made on time, but we are living in a fools' paradise if we assume that that will always happen. There will always be cases in which, for perfectly good reasons, people fail to make their claims in time. Sadly, many of those who slip through the net will be the recipients who most desperately need the backdating, not least because they may have fallen into debt during the period in which they did not claim the benefits that were due to them. That is rough justice indeed for those for whom we should have the greatest care.

The reasoned amendment refers to slower appeals, especially where judicial reviews are involved. It refers to appeals being less fair. Quicker justice does not always mean better justice; justice depends on quick decisions, but there is no justice if the decision is wrong. It talks about discouraging lone parents from working.

Nothing that I have heard this evening has in any way dented the case that we have made. Many arguments have concentrated on the good parts of the Bill that we accept and support, but there has been little that has in any way dented our arguments about those parts that we oppose. Our arguments are supported by the Law Society, Age Concern, the Child Poverty Action Group and the National Association of Citizens Advice Bureaux. They should also be supported by the House.

8.46 pm

Mr. Paul Goggins (Wythenshawe and Sale, East): As some hon. Members may recall, 1996 was the United Nations International Year for the Eradication of Poverty. During the year, I had the privilege of chairing the newly formed United Kingdom Coalition Against Poverty, which is a 140-strong association of some well-known agencies such as Save the Children Fund and Oxfam, as well as local authorities, grass-roots organisations and pressure groups such as the Child Poverty Action Group, the Low Pay Unit and Church Action on Poverty.

I wrote to the then Secretary of State for Social Security, the right hon. Member for Hitchin and Harpenden (Mr. Lilley), to ask whether the then Government intended to introduce a plan for reducing inequality and poverty. He replied that they had no such plans, and added:

"such plans are not needed in a well-developed industrialised nation such as the UK, which already has the social protection system to prevent poverty and maintain living standards".

From the position that he then held, he might have thought that we had a system that prevented poverty and maintained living standards, but the reality is very different for people living at the sharp end of poverty in Britain.

Poverty trebled in the 18 years of the previous Administration. If it is not too controversial, I should like to pay tribute to the work of the hon. Member for Northavon (Mr. Webb) in tracking some of the developments in income inequality over the past few years. One in five people in Britain claim income support, and many others should claim it but are not aware or have not made their claim. In some parts of constituencies such as mine, every other household is in receipt of some form of means-tested benefit.

The experience of those who claim benefit is frequently appalling, with long and complex claim forms, lengthy delays in appeals, and inaccurate calculations. It is a bureaucratic nightmare that compounds the sense of rejection and exclusion that many claimants feel. That is where the new Government must begin their reforms—not in the never-never land of the previous Government's imagination, or under the illusion that perfection is but

[Mr. Paul Goggins]

a grasp away, but in the reality of a system that is failing the taxpayer, and, most importantly, failing those who rely on it for their income.

Ms Margaret Moran (Luton, South): I am sorry that only one Conservative Member is present, because my hon. Friend was making a point about the legacy of the past 18 years. The remains of the Conservative party have made great play of saying that the Bill is inherited from them. I listened to that argument with growing irritation, because the previous Government failed over 18 years to implement any of the things that they now claim as their initiative. For example, they singularly failed to introduce the new technologies that would have increased efficiency and allowed users of the benefit system to gain their fair entitlements.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Lady must keep her interventions brief. She cannot give a speech on top of a speech.

Mr. Goggins: I agree with everything that my hon. Friend said.

The priority of part I is to improve the system of decision making and appeals. Several hon. Members have mentioned a number of comments made by the chief adjudication officer. The figures for adjudication decisions on most benefits have remained the same or worsened in recent years. In almost half of income support cases, there are errors of fact, law or payment. For family credit claims, the failure rate is more than one third. We cannot go on tolerating a system in which only three out of 10 disability working allowance claims and only one in five social fund funeral payments are correct.

In which other areas of life would consumers tolerate such appalling inefficiency? How long would people go on paying a garage to repair their car if there was a two in three chance that it would not work when they got on to the road? How long would people go on buying goods from a shop where there was a 50-50 chance of being sold faulty goods? But that is the reality that social security claimants face every day.

The appeals situation is dire. My hon. Friend the Member for Bradford, North (Mr. Rooney) testified to that. An adviser at Wythenshawe law centre in my constituency recently told me of a claimant she had been helping. The claimant had appealed against a decision taken in August 1995 to end her claim for incapacity benefit. The appeal, which the claimant won, was not heard until January 1997, 17 months later.

The adviser also told me that, in her experience, the average wait for appeals in income support cases was around nine months, and that nothing gets through in less than six months. Most child support cases take at least a year. The adviser also told me of a claimant who had been refused incapacity benefit because she had not made sufficient national insurance contributions. She put in a claim for severe disablement allowance, which she was eventually awarded, but it took almost 12 months to reach a determination. Those are not isolated cases: they happen in every constituency, day in, day out.

Not only do claimants have to survive on reduced incomes while their appeals are being heard, but the process adds to the considerable personal pressure that many of them are under. That leaves them with a perception of the system as unfair and arbitrary.

Concern has been expressed tonight about both the creation of a single-status decision maker and the move to single-member appeal bodies. I accept that some of those concerns were expressed out of a desire for justice and fairness in the system. However, what is fair about a system of appeals in which people who turn up with an adviser have a two in three chance of winning, people who turn up alone have a one in two chance, and people who do not turn up at all have a one in four chance? Such figures are more of a testament to human nature than to objectivity and equity.

The Secretary of State made a strong argument for flexibility on the size of appeal bodies. I agree that it is not the structure of decisions and appeals that is paramount, but their quality. Of course, staff will need training. I was pleased that my right hon. Friend said that she would set ambitious standards and performance targets, and that they would have to be met by the staff involved.

No one seems to have any problems, least of all me, with part II, which seeks to close loopholes in the national insurance system to stop people avoiding the payments that they should make and need to make to ensure that the social security system works.

I am happy to turn to the two controversial aspects of part III: the proposals to stop the addition to child benefit for lone parents and to limit the backdating of claims to one month. I agree that, taken in isolation, such proposals might be regarded by some as punitive and unfair. That is why, as several Labour Members argued, we must consider them in the wider context.

The prime purpose of the new Government, unlike the previous Administration, is not to trap people in poverty and reduce or abolish their benefits. As has been said repeatedly, our purpose is to get people off benefits and into jobs. It has been made clear that the best way to reduce pressure on the social security budget is to enable claimants to swap their dole cheques for pay cheques. That, after all, is what most unemployed claimants want.

It is also clear that the Secretary of State has been prepared to act where the reforms of the previous Government would have created the deepest misery. That is why she decided to remove the single-room rent restriction on single people over 25 who are claiming housing benefit. Many hon. Members, including me, were relieved when she made that announcement. Most lone parents want to work. That is why, with the limited finance available, the Government's priority has been to improve child care provision and enhance the support and guidance offered to lone parents who are looking for jobs.

It is worth emphasising that the best way to reduce the need to backdate is to create a more efficient, transparent and informative social security system that makes it easier for people to claim and deals with them accurately and quickly. We should not have a system that enshrines backdating as normal procedure. We also need to balance the new restriction against the earlier awards of benefits that will result from a more sophisticated and streamlined procedure.

Mr. Webb: Before entering the House, the hon. Gentleman long had a proud reputation, to which I pay

tribute, for fighting on behalf of the poor. He knows that the Bill takes money from working lone parents. I understand that there is a corresponding plan by the Government to take money from non-working lone parents through phasing out the additional lone-parent premium. Presumably the poverty figures he cited will be worsened by that. Does he support the phasing out of lone-parent premium as well?

Mr. Goggins: The package of measures that the Government are rapidly introducing into public policy will reduce the numbers of people living in poverty. We cannot look at policies in isolation—we must look at the overall package. We must be honest and say openly that politics is about determining priorities and the ability to balance what is desirable with what is achievable. As my hon. Friend the Member for Gravesham (Mr. Pond) said, we are not uncomfortable, as Opposition Members wanted us to be. We are not embarrassed, ashamed, sick or sorry, as the hon. Member for Perth (Ms Cunningham) maintained.

Labour fought and won an election in which we promised to adhere strictly to departmental spending limits. We told people that, although we were determined to root out waste and install new values in public policy, all our problems could not be resolved overnight. We have inherited a system groaning under the burden of bureaucracy and inefficiency, and we are determined to get people off benefit and into work. We are also committed to a far-reaching reform of the welfare state.

I believe that the British people are squarely behind us in this. Conservative Members have been saying, "This is our Bill." It is not—it is our Bill, because we won the general election. The difference between the Bill and other social security measures in the past 18 years is that it has been proposed by a Government who are determined not only to stay within budget but to improve provision. This Bill makes a start on a difficult road, but a road which will help to restore public confidence in a system which should be creating hope and security, rather than fear and poverty.

8.59 pm

Kali Mountford (Colne Valley): Any legislation must be seen in its context, and the Bill can be seen in two contexts. The first is the Government's plans to reform social security and other measures to deliver a fair and just society. The second is the experience of our constituents. I want to deal with both.

My hon. Friend the Member for Wythenshawe and Sale, East (Mr. Goggins) said that we must look at the total package, as the Bill does not exist in isolation. For example, a person who has been unemployed for more than two years will have great experience of the benefits system. He will be practised in dealing with benefits, but not in getting back to work. It is appropriate, fair and right that any Government—especially this Government, who promised as much at the general election—should deal with the problems of unemployed people. It is also right that the first priority is to deal with young people before they become practised in claiming benefit and become the sort of people who have no hope of employment.

We must also look at lifelong learning and retraining schemes, so that older people have an opportunity to get back to work, and we must deal with the economy as a whole to create the conditions in which that can happen. It is also right to listen to the experiences of lone parents, the vast majority of whom tell us that what benefits them is to go back to work.

Mr. Letwin: How many lone parents has the hon. Lady encountered in her constituency who, as well as admirably moving off benefits into work, would like to lose £6 a week?

Kali Mountford: That remark demonstrates that the hon. Gentleman has no experience of the lone-parent benefit. If he had, he would know that the amount of extra child benefit given to a lone parent is taken account of in their benefit and therefore has no material effect on their life.

Mr. Letwin *rose—*

Kali Mountford: I am sorry, but I have not developed the point at all. The hon. Gentleman referred to a person going back into work having been on benefit, and taking care of children in difficult circumstances. That £6 is of no great benefit to them while they are out of work, because it is taken into account in their benefit. It is also of no great benefit to a person receiving in-work benefits. What is of benefit to a lone parent is the experience of work and the capacity to get work. The Government propose to help lone parents by providing child support, so that they can pay for child minders whom they currently cannot afford. That precludes them from entering the labour market.

Mr. Letwin: Perhaps I can develop the hon. Lady's point thus. I understand that the aim of the policy is that a lone parent who was previously out of work and on benefit will move back to work because of her Government's magnificent policies. That lone parent will lose the premium—a direct effect on their income. Is she aware of any lone parent in her constituency or elsewhere who would welcome that loss?

Kali Mountford: Not one of my constituents has ever said to me, "Develop a policy that precludes parents from going to work," but that is what the hon. Gentleman is suggesting.

The legislation is designed to simplify the process, so that people can get their benefits faster, according to a more simplified, easier format, and have better access to the benefits that they need while they are not in work, incapacitated or in some other need.

I should like to relate to the House the experience of some of my constituents. A person came to my surgery having recently made a claim for benefit on the advice of someone—the claim was later disallowed—because his son was suffering from multiple sclerosis. At the end of a lengthy process, he discovered that his family were not entitled to benefit and at that point he was given a leaflet. Once he had read it, he said, "Had I seen the leaflet in the first place, I would never have made a claim, because it would have been clear from the start that our family were not entitled to the carers benefit." He was quite happy with the decision reached, because it was clear to him that his family had never been entitled to claim. When considering the overall reform of the benefits system,

[Kali Mountford]

we need to target it precisely, to ensure that the system is more accessible, and so that people are given appropriate advice in the first place.

If any of my constituents are, unhappily, bereaved, they are given immediate advice on the benefits available to them on the day they register the death of their loved one. That welcome system of advice was introduced by the previous Government in 1995. Unfortunately, its introduction was not compulsory, but at the discretion of local social services management. I am glad that my local management took up that opportunity, which means that bereaved people get immediate access to information so that they can make appropriate claims from day one, without any delay. It also means that no inappropriate claims are made. Such measures should be considered when reviewing the benefits system, to ensure that the legislation is targeted appropriately.

Another of my constituents who is gravely ill recently had his benefits stopped after a medical examination. That person is obviously unhappy about that decision and has rightly appealed. He has already had to wait two months and it is likely that he will have to wait many more before a decision is reached. That wait and delay demonstrate to me that it is absolutely necessary to change the appeals process, and to do so quickly. We cannot wait for the overall review of the benefits system to help that person, who has already lost his car—his only means of getting about.

That person is judged 90 per cent. disabled, has 40 per cent. lung capacity and is hardly able to breathe. It is surprising that he is required to appeal to have his benefits restored. The delay in reaching a decision on his appeal has already meant that he has lost his car. According to the average time it takes to process an appeal, he will probably be deprived of benefits for a further four months, but given his particular benefit, he is likely to wait eight months before his appeal is settled. That is not good enough for any of our constituents because of the pressure that it puts on them and the families they are trying to care for, and that which it exerts on their marriages, overall income and their necessary requirements.

The complexity of the overall system has also been revealed by the treatment of another of my constituents, who is gravely ill with mesothelioma—I hope that I have pronounced that correctly.

Dr. Ian Gibson (Norwich, North): Almost.

Kali Mountford: Almost.

I know that hon. Members will recognise the seriousness of my constituent's illness. He has already spoken to representatives of eight different social services departments. The gravity of his illness means that time is of the essence. In order to get justice, he is trying to contact thoughtful and receptive people in each department, not necessarily the most appropriate, who will at least listen to his problems. Trying to appeal within the system is a minefield. My client has gone from one hospital to another and had to try to cross-reference the information from doctors with information from the benefits service. My hon. Friend the Member for Bradford, North (Mr. Rooney) was talking about claims being sent to Blackpool, Doncaster, Wakefield and goodness knows where else. My constituent has had the same experience: he has found someone in Blackpool who is being terribly helpful, but when I investigated his case, it seemed to me that he was talking to the wrong department altogether. That is the complexity that faces people.

Information has to be gone through time and again because there is no data sharing. Some Opposition Members take a somewhat Luddite approach—perhaps they would prefer clerks to use a quill. In 1975, I joined the benefits service as a young and inexperienced clerk and one of my early responsibilities was to calculate the amount of benefit due to claimants. We did it in our head, because we were not allowed to use calculators, and vast volumes were required to make the calculations, which we made as accurately as we could. Then a computer system was introduced. We all detested it because we thought that it would take away our jobs and because we were more human and more caring; but I have to admit that quickly, after initial problems—it was not the most sophisticated of computers and a ticker-tape type of computer has since been developed—the information technology meant that the system speeded up, people got decisions more quickly and the decisions were more accurate.

Since then, the computer system has been developed further. Given that the computer system introduced into the unemployment benefits service was originally designed for the social security system and was supposed to be introduced by the Conservative Government, I am somewhat surprised by some hon. Members' resistance to our using information technology to speed up the process. I am also surprised by the confusion about whether information and decisions from the computers would be acceptable. Such output has been acceptable in England for some time: the unemployment benefits system has been using computer systems and computerised decision making for many years, and the output from those computers has been used in tribunal cases. There is nothing new there then, although they do say that there is nothing new under the sun, so we should not be too surprised.

I now refer to national insurance contributions fraud. In my time in the benefits system, I have seen people whose benefit was denied, not because of anything that they had done, but because their former employer never paid over their contributions. The effect of that on people's lives is extraordinary, because of the shock of discovering that they are not entitled to the benefit that they always thought was their support and security in times of need and because of the gross fraud committed against the state. Opposition Members made great play of the fact that Labour Members have supposedly always supported the fraudster, but that has never been the case. What has, however, been wrong with the system until now is the emphasis on one type of fraud—claimant fraud. I welcome the fact that that inequality is addressed in the Bill, and I commend it to the House.

9.13 pm

Mr. Stephen Hesford (Wirral, West): I should like to address one narrow aspect of the Bill: clause 23 and its potential effect on a large number of my constituents who are pensioners—a section of the community that has not yet been mentioned in the debate.

Before I discuss that, however, let me say that I will take no lessons from Conservative Members as to the ownership of the Bill, because my constituents well recognise that Conservative Members' cards were marked at the general election. They were rejected—as was their approach to the Bill—at the general election, and my constituents are very pleased that these measures—*[Interruption.]* Conservative Members may laugh, but my constituents are very pleased indeed that these measures are now in the hands of a Labour Government.

Not for the first time in my short time in the House, the Liberal Democrats reveal schizophrenia in their approach. They welcome our welfare-to-work programme, and they have been repeatedly told tonight that the Bill is part of that programme. Do they accept the Bill, do they accept the welfare-to-work programme and do they accept that the Bill is a key part of that measure? I shall sit down if the hon. Member for Northavon (Mr. Webb) wants to intervene.

Mr. Webb: I am grateful to the hon. Gentleman for the invitation to intervene. If he heard my remarks earlier, quoting the Under-Secretary of State for Education and Employment, the hon. Member for Newport, East (Mr. Howarth), who is in charge of part of the Government's welfare-to-work policy, he will recall that the hon. Gentleman described the abolition of one-parent benefit as irrational as part of a welfare-to-work strategy. Therefore, although, naturally, we want people to come off welfare and into work, I am sure that the hon. Gentleman will not expect us to accept every element of the package, especially the parts that have been described by Labour Members as irrational and perverse.

Mr. Hesford: I return to my original point. In this country there are more than 10 million pensioners, more than half of whom are on state benefit—the ordinary state pension. Many of those pensioners rely on income support. The Bill will be key for them. There are 10,000 pensioners in that position in my constituency; only two constituencies have an electorate with a larger proportion of pensioners. Those pensioners would not thank me if I did not ask Ministers to consider clause 23 and to give an assurance about it.

I broadly support the Bill; I want to ask only one question. Subsection (1) reads:

"The powers conferred by this section are exercisable in relation to persons who fail to comply with information requirements."

Subsection (2) reads:

"Regulations may provide for—

(a) suspending payments of a relevant benefit, in whole or in part;

(b) the subsequent making in prescribed circumstances of any or all of the payments so suspended"—

and indeed stopped.

I know from my mailbag and surgery that the most vulnerable claimants of that type of benefit are pensioners, and it would be a worry to pensioners in my constituency if they believed that they might fall foul of that part of the Bill, through no fault of their own. Many of them attend offices with friends because they cannot cope with the system.

I seek an assurance from Ministers, therefore, that when the regulations are drafted, a sympathetic view will be taken of vulnerable members of society, so that they will not be—as I am sure they are not meant to be—purposely caught by the regulations. I hope that sympathy will be shown to people such as the pensioners in my constituency.

9.18 pm

Mr. Simon Burns (West Chelmsford): I warmly congratulate the hon. Member for Elmet (Mr. Burgon) on his maiden speech. Every hon. Member has to go through the torturous, nerve-racking experience of making a maiden speech, and the hon. Gentleman's speech was impressive for its fluency, wit and confidence. I am sure that the House looks forward to further contributions by the hon. Gentleman in debates not only on social security but on issues throughout the political spectrum.

This has been a fascinating debate to which to listen, for a variety of reasons. Perhaps the most ironic of those reasons, as my hon. Friends the Members for Chingford and Woodford Green (Mr. Duncan Smith) and for Beckenham (Mr. Merchant) so ably said, is that, although the Bill has been presented by the Secretary of State, supported by all her senior Cabinet colleagues, it is mainly the Bill of my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley). Plagiarism is the highest form of flattery, and the right hon. Lady has certainly paid my right hon. Friend the greatest of compliments by lifting his Bill, almost lock, stock and barrel, and introducing it to the House.

I want to be conciliatory. I am not sure whether to congratulate the Secretary of State on her nerve, gall and barefaced cheek, given that, in opposition, she was on record as being totally opposed to most of the contents of the Bill. On the other hand, perhaps I should offer her my condolences: she has lost her battle for her beliefs in the past; now she has lost control of the policy-making decisions in her remit in government, and has had the views of others foisted on her.

The introduction of the Bill prompts the question: who is really in charge of social security policy? It appears that the country has a Secretary of State who is in office but not in charge. That must be a difficult—even humiliating—position for the right hon. Lady, but she is of course used to being the human shield for others. Who persuaded or coerced her to accept this Bill? In the past, she has publicly declared much of it to be anathema to her beliefs.

The answer lies partly in what has been done to the Department. The Labour party proudly told us that it was going to think the unthinkable on welfare and end welfare as we know it. It was going to design and deliver a system that would ensure a hand-up, not a hand-out. Well, the right hon. Lady has certainly had a hand-up to the Cabinet table, but she has not received any hand-outs in terms of responsibilities or decision making.

Between them, as the Bill shows, the Prime Minister and the Chancellor have ensured that the right hon. Lady is in charge of nothing. Welfare reform is split between two junior Ministers. Overshadowing her, like Banquo's ghost at the banquet, is the right hon. Member for Birkenhead (Mr. Field), who is responsible for the reform of the welfare state. He has been strangely silent, kept under wraps. On the instructions of the Minister without Portfolio, I understand, he is not allowed to lunch with journalists or speak with them in case he lets any cats out of the bag. Interestingly, after a brief interlude spent listening to the Secretary of

[Mr. Simon Burns]

State's speech, the right hon. Gentleman scuttled out of the Chamber, never to be seen again—indeed, he is still not here. As was said of a former Conservative Prime Minister just before the war, the right hon. Gentleman is an air-raid shelter for the Government's policies.

Meanwhile, reform of the pension system resides with the junior Under-Secretary. Perhaps most galling of all to the right hon. Lady, reform of the tax and benefit systems has been awarded not to a Minister but to a friend of the Chancellor, the business man, Martin Taylor. On welfare to work, the Chancellor has also stepped in and appointed another crony of his, Sir Peter Davis, to head the new task force—including the scheme for lone mothers so eagerly talked about by the right hon. Lady at the time of the Budget.

Sadly for the Secretary of State, the truth is that she can talk about these policies and initiatives as much as she likes, but she cannot take charge of them—

Ms Harman: The hon. Gentleman says that because I am a woman.

Mr. Burns: I assure the right hon. Lady that it is not because she is a woman: it is because of her brain power. Isolated and humiliated, she swallows her pride while the policy-formulating and decision-making processes are taken out of her hands and Bills such as this one are foisted on her—despite a litany of quotations in which she expressed her opposition to many of the proposals in it.

Despite the Secretary of State's previous misgivings, the Bill follows a new, well-established pattern from new Labour: say one thing, do another. It is becoming a well-established, cynical performance. We have seen it over pensions, we have seen it over taxes, with 17 tax rises in the Budget earlier in this month, and we have seen it over asylum seekers. Now, we are seeing it over the Social Security Bill.

The Bill's overall aim is to improve efficiency in the delivery of services by simplifying decision making and appeals and to save taxpayers' money through a variety of measures. My right hon. Friend the Member for Hitchin and Harpenden envisaged that the Bill would contribute towards cutting the Department's administrative costs by at least 25 per cent. when he foreshadowed it at the beginning of last year.

The then Opposition, who were motivated by a cynical and ruthless policy of attacking everything that the then Government did, were seriously caught out in attacking the proposals when a letter from the Minister for Employment, Welfare to Work and Disability Rights, the then shadow Chief Secretary to the Treasury, to the Secretary of State for Culture, Media and Sport, the then shadow Secretary of State for Social Security, was leaked, suggesting that, despite the public rhetoric of the Labour party, privately it believed that not only were the savings achievable and feasible but that it was actually proposing to pursue a similar policy.

Mr. Field: That is right.

Mr. Burns: As the right hon. Gentleman says, that is right.

As *The Daily Telegraph* said, which I am grateful the right hon. Gentleman has confirmed:

"An Opposition attack on Government cuts in welfare backfired yesterday with the disclosure that Labour was contemplating similar efficiency savings".

The Times was probably even more explicit when it reported:

"Labour was accused of breathtaking hypocrisy yesterday after a shadow Treasury Minister privately suggested that the proposed £1 billion cuts in social security spending were 'perfectly feasible'."

The cynicism of Labour's position has been confirmed by the Bill, which is part of the cost-saving exercise.

That is not the only example of Labour's cynical disregard of the facts. Let us take clause 35, for example. The clause allows regulations to be made that will permit a local authority to suspend payment of housing benefit and council tax in prescribed circumstances, particularly where entitlement is in doubt, pending resolution of a query or appeal. The official Opposition do not oppose that, because we were going to do it if we won the election. What does stick in our throats, however, is the fact that the principle of suspension of benefit was attacked by the Labour party when in opposition.

In opposition, only a year ago, the Secretary of State's predecessor, now the Secretary of State for Culture, Media and Sport, attacked the suspension of benefits when he said that the

"measures affect the genuine and the non-genuine alike".—[*Official Report*, 24 June 1996; Vol. 280, c. 39.]

For good measure, he added that the principle was "inhumane and unjust".

Possibly the Secretary of State's greatest problem and the greatest swallowing of humble pie comes with clause 68, which is probably better known as the clause that dare not speak its name. In the right hon. Lady's "Dear Colleague" briefing note for Members of Parliament of 10 July, she mysteriously made no mention of the clause. In true news management style, no doubt under the guiding hand of the Minister without Portfolio, the letter extolled the virtues of the Bill, but nowhere in it was clause 68 mentioned—no doubt because, despite the public comments of the hon. Members for Brent, East (Mr. Livingstone) and for Birmingham, Selly Oak (Dr. Jones), the Government wanted to try to hide in a 78-clause, seven-schedule Bill the proposal which is such anathema to true Labour.

Clause 68 proposes to set out the framework for implementing the previous Government's policy to reduce the rate of child benefit for lone parents to the level for couples. It is a move towards an even-handed treatment of one and two-parent families by reducing the additional child benefit of just over £6 to the same level as that paid to a couple with a child.

When this was announced in the Budget in November 1996, the right hon. Member for Camberwell and Peckham (Ms Harman), not one to miss a flight of hyperbole, told the House that the cut in benefit to lone mothers

"is not fair to the families of women who bring up children on their own. They will be worse off. If that is what he thinks is a family policy, he does not understand how families work."—[*Official Report*, 28 November 1996; Vol. 286, c. 501.]

In January this year, when pressed on that issue by Polly Toynbee of *The Independent*, the redoubtable right hon. Lady said—

Dr. Gibson: I thank the hon. Gentleman for allowing me to interrupt his diatribe. Which party allowed people

to be paid in Archie Norman-Asda vouchers? Which party introduced legislation that allowed people to be denied benefit? The hon. Gentleman talks of our cynicism, but we throw it back at him: the Conservatives are the cynics, not us.

Mr. Burns: I find that intervention extraordinary. If the hon. Gentleman were to waste time studying the legislation, I suspect that he would not find any measures of that nature. Such things happen all too often, regardless of the Government of the day. I suspect that some sharp cookie looked for a way of avoiding national insurance or tax, and his attempt was discovered. To her credit, the right hon. Lady has announced that she will amend the legislation and mop it up. In the circumstances, that is probably the right way to proceed. *[Interruption.]*

The Minister for Welfare Reform is trying to cause trouble and mischief. The allegation was not that Asda had come up with this wheeze, but that some bright person had bought Asda tokens to get around the tax and national insurance regimes. We cannot blame Asda for that—just as we could not blame the national book token scheme if people were to abuse it. The right hon. Gentleman should shut up and listen to the speech because, despite his knowledge, he might learn something.

As I said before I was interrupted, the right hon. Lady was interviewed by Polly Toynbee in January this year. In that article, Ms Toynbee writes:

"So, will she or won't she"—

the right hon. Lady—

"introduce Tory legislation to cut single parents' benefits? 'No, of course not', she says when asked."

So spoke the champion of lone mothers, the right hon. Member for Camberwell and Peckham. What did she say this month? In a recent press release, her mouth awash with humble pie, she declared:

"Withdrawal of entitlement to lone parent family premiums in income support for new claimants will take effect in April 1998. Withdrawal of the lone parent premium rate of child benefit is subject to necessary legislation and is now expected to come into effect from June 1998."

The right hon. Lady can huff and puff as much as she likes, but she is hoist on her own petard by her previous statements. No amount of bluster and waffle can disguise the fact that she has been totally overruled, and, with no shame or pride, she is happy to implement her master's instructions.

Ms Harman: Who is that?

Mr. Burns: The right hon. Lady's right hon. Friend the Prime Minister, who has protected her so often in the past. As she knows better than most, he has been particularly good to her in the past 18 months or so and rescued her from several scrapes. I suspect that the right hon. Lady owes him one, and will do whatever he bids.

Mr. Deputy Speaker: Order. The hon. Gentleman is ranging wide in his remarks. While I am on my feet, I must say that some hon. Members on the Back Bench have been extremely noisy during the debate. I ask them to be silent.

Mr. Burns: On clause 68, it is no wonder that colleagues of the right hon. Lady, for example, the hon. Members for Brent, East and for Selly Oak, are seething and prepared to take a principled stand for what they believe in—not only on the primary legislation but on the secondary legislation which will emanate from it.

The changes to child benefit will require secondary legislation. I suspect that old, true Labour will stick by its principles and make its views known when it has an opportunity to demonstrate on the Floor of the House its commitment to what it believes in.

I shall be grateful if the Under-Secretary who is winding up will tell the House when he expects regulations to cut the child benefit element of income support to be laid before the House.

I do not want to add to the Secretary of State's woes, but I should like, as it has come up once or twice during the debate, to raise the issue of clause 70, about which my hon. Friend the Member for West Dorset (Mr. Letwin) spoke so eloquently. It is a nasty, vindictive little clause which was not proposed by my right hon. Friend the Member for Hitchin and Harpenden.

Clause 70 introduces a new time restriction for backdating benefit claims from the current three months to one month. It was not—as one would expect—in the right hon. Lady's "Dear Colleague" letter of 10 July, for the simple reason that it attacks pensioners and the most frail and vulnerable in society. Although I accept that a three-month time scale for claiming benefits is not unreasonable, restricting it to one month will devastate tens of thousands of vulnerable people. As the National Association of Citizens Advice Bureaux has pointed out, it will mean, for example, that widows suffering the shock of bereavement could have only a month to make a claim for widow's benefit. How can the Government justify imposing such an intrusive requirement on widows in their grief?

I must confess that I am surprised that clause 70 is in the Bill, because the hon. Member for Manchester, Withington (Mr. Bradley), who is now an Under-Secretary of State for Social Security, has in the past criticised the previous Government for not ensuring that there is a high take-up of benefits, and this measure will reduce benefit entitlement and save £57 million from the most needy in our society. In the light of clause 70, previous comments by the hon. Gentleman are particularly hollow. He said:

"A high take-up is essential to ensure that the poorest in our society receive the meagre income to which they are entitled through the benefits system."—[*Official Report*, 16 July 1993; Vol. 228, c. 1258.]

As I said at the beginning, the Bill is primarily that of my right hon. Friend the Member for Hitchin and Harpenden. For that reason we will not oppose it tonight, but we reserve our position on a number of issues in Committee, not least clause 70, and we will want to study the fine print carefully.

The Bill is not the Secretary of State's finest hour. In her heart of hearts, she knows that her past rhetoric in opposing many fundamental parts of the Bill shows her today to be a pawn of her right hon. Friend the Prime Minister. Her abandonment of her so-called beliefs, and her inability to fight for her beliefs, will in the coming months haunt her in the eyes of her civil servants, the public and her colleagues. The Bill has highlighted her political impotence.

9.37 pm

The Parliamentary Under-Secretary of State for Social Security (Mr. Keith Bradley): This has been a lively and, generally, well-informed debate on an important Bill. It has shown that many hon. Members agree that welfare reform should be—and is—high on the national agenda.

Creating a modern, active welfare state is at the heart of the Government's commitment to tackle poverty and dependency, and to strengthen community and family life. For far too long the welfare system has given claimants a hand-out rather than a hand-up. It has ignored their aspirations and responsibilities. It has paid the growing costs of failure, rather than investing in success.

We aim to extend opportunities to all so that no one is excluded and everyone plays a part; to help people to take responsibility for themselves and their families; to rebuild a strong and cohesive society. We are already offering a new deal for the young and long-term unemployed and giving practical help to lone mothers who want to work. We are developing a national child care strategy and conducting a wide-ranging review of provision for retirement.

There are many challenges ahead as we set about reshaping the welfare state for the 21st century. The Bill lays firm foundations for the future. It will help to create an active, secure and integrated system of welfare delivery. It tackles the outdated, cumbersome procedures which prevent customers from obtaining the service that they deserve. It will ensure that all employers meet their responsibilities to pay national insurance contributions and makes it easier for them to do so. It shows that we are committed to doing all that while living within budget, even if that means being prepared to take tough decisions.

I congratulate my hon. Friend the Member for Elmet (Mr. Burgon) on his maiden speech, its context and humour. I also congratulate him on supporting the Bill tonight, so ensuring that his constituents have a modern, fair and efficient social security system. I welcome his support for the enhanced use of information technology in achieving that end. He paid a generous tribute to his predecessor which was clearly welcome in the House. However, he was on rather weaker ground when he was discussing the fortunes of Leeds United football club. As a Manchester Member of Parliament, I have every confidence that the championship will return to its rightful and spiritual home in 1998.

I am pleased that the hon. Member for Northavon (Mr. Webb) readily accepted the flaw in the reasoned amendment in the name of the Liberal Democrats. We welcome that. I listened carefully to the hon. Member for Newbury (Mr. Rendel). The amendment says that the Bill "will"—

I emphasise that—

"will result in a slower appeals process, with more appeals being the subject of judicial review".

The hon. Member for Newbury used the word "could" rather than "will". We need to be clear what the Liberal Democrats are saying. Are they saying what will happen as a matter of certainty or are they merely speculating? It is our strong contention that the issues that they have raised are addressed in the Bill.

First, the reasoned amendment says that the Bill will result in a slower appeals process and more judicial reviews. We dispute that. We are retaining an independent appeals system and current rights will be protected. There is no reason to suppose that more people will have cause to seek judicial review. My right hon. Friend the Secretary of State is introducing a new right of appeal on contribution questions. Her proposals will make appeals quicker, not slower. Better explanations, the ability to correct decisions and the fast-tracking of hopeless appeals will result in the freeing-up of the tribunals' time, enabling them to deal with cases with genuine grounds for appeal in a quicker and, more importantly, more considered way. The separation of judicial and administrative functions will result in better organisation and control, which will also reduce waiting times, without affecting judicial independence.

The amendment says that the appeals process will be less fair. We dispute that. My right hon. Friend the Secretary of State has maintained the right of appeal to an independent tribunal and tribunals will have the right expertise to deal with the type of cases before them. A legally qualified chairman is not necessary if no legal point is at issue. We want to ensure efficiency and fairness in the system.

The amendment goes on to say that the Bill will discourage lone parents from working. My right hon. Friend the Secretary of State made it clear that our priority is to help lone parents into work and many hon. Members today have reinforced our commitment to ensure that that happens. We shall invest in practical measures to get them back to work, to help them with job shares, to help them to find child care, to build their confidence and motivation and to develop the appropriate skills to find work.

The new deal for lone parents was launched yesterday. I launched it in the Halesowen office in the north Worcestershire area, and I was amazed at the enthusiasm, commitment and overwhelming desire of the staff and public to ensure that the new deal works for lone parents. Many lone parents have contacted that office: they want an interview as soon as possible so that they can have a personal adviser to help them get work. That is our priority, and that is what we are committed to achieving through these measures.

Mr. Rendel: I fully accept the hon. Gentleman's enthusiasm for the new deal for lone parents, but that has nothing to do with the Bill. Does he accept that the measures in the Bill are a discouragement to work?

Mr. Bradley: The Bill has everything to do with the issues that I am raising, because we are determined to ensure that lone parents in work are £50 a week better off. The family credit measures will ensure that appropriate child care facilities are available to them.

Reference has been made to sharing information and to the use of computers. We are talking not about big brother, but about a sensible approach to ensuring that information technology is used in the future to give customers a better service. My hon. Friends the Members for Birmingham, Edgbaston (Ms Stuart) and for Colne Valley (Kali Mountford) made excellent points about the use of technology. I stress that the Secretary of State is accountable for every decision, whether it is made by staff or computers. What is important is not machines and processes, but responsibility and accountability for the outcomes of those processes.

Hon. Members have suggested that transferring all decision making to the Secretary of State will mean a loss of independence. I assure the House that decision makers

will still be impartial, and will decide cases according to the facts and the law. The law as it stands makes deciding customers' claims complicated and time consuming. The Bill will create a simple, transparent system, which will be better for the staff who run it and certainly better for the customers who use it.

My hon. Friend the Member for Kilmarnock and Loudoun (Mr. Browne) referred to the chief executive's report. The chief executive will produce a report and provide comprehensive monitoring of the system. The report will take account of the views of the public and will meet the criteria laid down by Ministers. We want the new appeals system to be monitored effectively. Monitoring reports will be submitted to Ministers and the public. The National Audit Office will continue to have a role in monitoring and reporting to Parliament on the agency's performance. In addition, the president of the tribunal service will report on the standard of decision making in cases that go to appeal. We are seeking comprehensive ways of monitoring the system in the future to ensure that it is accountable to Parliament.

Many hon. Members have raised the issue of backdating. That has been dealt with in the debate, particularly in the speeches of my hon. Friends the Members for Wythenshawe and Sale, East (Mr. Goggins) and for Colne Valley. I do not retract one word of what I said about ensuring that claimants receive their entitlement through a proper take-up of benefits. That is totally different from backdating. As my hon. Friend the Member for Kilmarnock and Loudoun rightly pointed out, clause 70(2)(b) contains hardship provisions, and we shall explore that further in Committee in due course.

Mr. Webb: The hon. Member for Birmingham, Edgbaston (Ms Stuart) spoke warmly about the benefits helpline, which the previous Government abolished. Given that the Government are now penalising people who are ignorant of the benefits system, will the hon. Gentleman reinstate that helpline as a quid pro quo?

Mr. Bradley: As the hon. Gentleman will know, we are working within departmental budgets, but we want to ensure the creation of a fast, efficient and effective system—which we believe that the Bill will deliver—and we shall consider all the ways in which that can operate in practice.

The provisions relating to national insurance contributions may not have been given enough prominence in the debate, although they were raised by my hon. Friends the Members for Corby (Mr. Hope) and for Edgbaston. The measures in the Bill, and the further changes announced today by my right hon. Friend the Secretary of State, close loopholes in the law that have allowed some employers to avoid paying their share. Those moves will ensure that contributions are paid on non-cash payments under restricted covenants, and on payments in vouchers. That last provision will be known in future as the Asda amendment.

To deal with minor non-compliance, the Bill will replace the current outdated criminal offence with a modern and effective cash penalty regime, aligning the system with the Inland Revenue's penalty regime and giving the Contributions Agency similar powers to take distraint action to recover debts.

National insurance fraud is a serious offence. The Bill introduces tough new criminal penalties for fraudulent evasion, but it will also actively help businesses by ensuring that certain taxes on benefits and expenses are dealt with in the same way by the tax and national insurance systems. I hope that hon. Members in all parties will welcome those measures. As many hon. Members have pointed out in the debate, the House cannot condone fraud, wherever it may occur. We are determined to root it out, and to use all the measures in the Bill—particularly those relating to information sharing—to ensure that it can be weeded out at the earliest opportunity.

Throughout the debate, Back Benchers have made excellent speeches. I especially commend the speeches of my hon. Friends the Members for Bradford, North (Mr. Rooney), for Kilmarnock and Loudoun and for Corby, as well as the wide-ranging speech of my hon. Friend the Member for Gravesham (Mr. Pond) and the speech of my hon. Friend the Member for Edgbaston. All those hon. Members can bring a wealth of experience to debates on the Bill. I also commend my hon. Friend the Member for Wythenshawe and Sale, East—whose constituency is next to mine—for the expertise that he has gained from his work with Church Action on Poverty. He spoke with understanding and insight about what happens in the real world—about people trying to claim benefits and becoming bogged down in a mass of regulations, appeals and decisions that they do not understand. That, I think, is what the Bill is all about.

My hon. Friends the Members for Colne Valley and for Wirral, West (Mr. Hesford) emphasised the fact that the aim of the Bill was to provide a better service and an understandable system, and to ensure that people received their rights and entitlements at the point at which they needed them. We want to make it unnecessary for those people to go through the appeals system and a labyrinth of decision making. I am sure that many Labour Members who have spoken will prove to be very good members of the Standing Committee, and that we shall have excellent debates in Committee on all the matters that have been raised.

My hon. Friend the Member for Wirral, West referred to clause 23. We shall consider the clause in Committee, and I am sure that we shall be able to allay his fears then.

The Bill tackles fundamental problems in welfare delivery and national insurance security to set us on the road to a modern, open and efficient social security system. We have to put the whole Bill in the context of our general welfare reform programme. It would be wrong for the House to believe that the Bill is the beginning and the end of that process. It is a building block along that path and we are determined, in the months and years to come, to use it.

Tonight, we are setting out a framework for transforming the delivery of welfare. The Bill radically overhauls complex legal arrangements that have grown up piecemeal over the years. It will enable the Department to develop modern business processes and to make better use of modern information technology, making significant strides towards a streamlined and integrated service. It will secure the national insurance system by reinforcing employers' responsibility to make fair contributions. It will help all employers by cutting red tape, while cracking down on serious cases of fraud. It will protect the integrity of the system by closing loopholes used for avoidance and improve consistency by aligning certain tax and national insurance rules.

[Mr. Bradley]

In our manifesto, we made a commitment to live within spending limits. The Bill makes provision for changes announced in the Budget that enable us to deliver on that. Our spending priorities reflect our commitment to use limited resources where they are most effective and to provide active help to people on benefit. Our decision not to extend the single-room rent to people aged over 25 was clearly a step in that direction and a change from the policy of the previous Government. However, in taking that decision, we had to take other tough decisions. Many hon. Members on both sides of the House have welcomed the decision, so they have to accept, within the spending limits, the consequences of that action.

With the Bill, we shall continue to pursue our new active approach to social security. We want to build a modern welfare state that supports work, savings and honesty and that helps people to meet their responsibilities. To achieve that, we need a system that is straightforward, efficient, open, simpler for the staff who run it and clearer for the customers who use it. I commend the Bill to the House.

Question put, That the amendment be made:—

The House divided: Ayes 47, Noes 304.

Division No. 64] **[9.57 pm**

AYES

Allan, Richard *(Sheffld Hallam)*
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Mrs Jackie
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Cunningham, Ms Roseanna *(Perth)*
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Gorrie, Donald
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Maclennan, Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Morgan, Alasdair *(Galloway)*
Norris, Dan
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'ns)*
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Wallace, James
Webb, Professor Steve
Welsh, Andrew
Wigley, Dafydd
Willis, Phil

Tellers for the Ayes:
Mr. Paul Tyler and
Mr. Andrew Stunell.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Janet *(Rossendale)*
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne *(Aberd'n S)*
Beggs, Roy *(E Antrim)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Berry, Roger
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell–Savours, Dale
Canavan, Dennis
Cann, Jamie
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Connarty, Michael
Cook, Frank (Stockton N)
Cooper, Yvette
Corbett, Robin
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann (Keighley)
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie (Bristol W)
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dewar, Rt Hon Donald
Dobbin, Jim
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Forsythe, Clifford
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Galbraith, Sam
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian *(Tamworth)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kennedy, Jane *(Wavertree)*
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Liddell, Mrs Helen
Livingstone, Ken
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCartney, Ian *(Makerfield)*
Macdonald, Calum

McDonnell, John
McFall, John
McGuire, Mrs Anne
McKenna, Ms Rosemary
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
O'Neill, Martin
Osborne, Mrs Sandra
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Pond, Chris
Pope, Greg
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Radice, Giles
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, John *(Glamorgan)*
Smyth, Rev Martin *(Belfast S)*
Soley, Clive
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul
Stott, Roger
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Turner, Dennis *(Wolverh'ton SE)*
Turner, Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vis, Dr Rudi
Ward, Ms Claire
Watts, David
Whitehead, Dr Alan
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Worthington, Tony
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. Clive Betts and
Mr. David Jamieson.

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on Second or Third Reading), and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee.

SOCIAL SECURITY BILL [*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Social Security Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of—

(a) any expenditure incurred by the Secretary of State or the Lord Chancellor under the Act; and

(b) any increase attributable to the Act in the sums which under any other Act are payable out of money so provided; and

(2) the payment out of the Consolidated Fund of any increase attributable to the Act in the sums which under any other Act are payable out of that Fund.—*[Mr. Kevin Hughes.]*

Question agreed to.

SOCIAL SECURITY BILL [*WAYS AND MEANS*]

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Social Security Bill, it is expedient to authorise any increase attributable to the Act in the sums which—

(a) under any other Act are payable into the Consolidated Fund; or

(b) under the Social Security Administration Act 1992 are to be taken as paid towards the cost of the National Health Service in Great Britain.—*[Mr. Kevin Hughes.]*

Question agreed to.

EUROPEAN LEGISLATION

Ordered,

That Mr. Andrew Tyrie be discharged from the European Legislation Committee and Mr. Quentin Davies be added to the Committee.—*[Mr. Kevin Hughes.]*

Rural Hospitals (Devon)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kevin Hughes.]*

10.12 pm

Mr. John Burnett (Torridge and West Devon): It became clear some months ago that the North and East Devon health authority was looking for savings. It predicted overspending of about £2 million this year—slightly below 1 per cent. of its annual expenditure—and further overspending for the year 1998-99. My aims today are to highlight the unfairness of the formula for apportioning public money between health authorities and to expose the decision temporarily to close Winsford hospital, pending a review, for what it is: precipitate, ill considered and illogical.

In the days of the rate support grant, it was said that only three people knew the formula by which it was arrived at: one was dead, the second was insane and the third was joining the second. I dare say that the formula for apportioning cash between health authorities is equally arcane and complex. Nevertheless, I am led to believe that it discriminates unfairly against rural areas in several ways.

The formula does not take account of the distance and time involved in delivering health services in rural areas. A district nurse, midwife or doctor working in a rural part of Britain can hope to treat only a fraction of the number of patients that his or her urban counterpart can treat. I understand that no allowance is made for that in the formula.

Matters such as car ownership are used as a measure of affluence. In rural areas, ownership of a car is not a luxury but a necessity because of the paucity—often the non-existence—of public transport. One must have a car or go nowhere. Many poor people who live in the country have to make considerable sacrifices to own and run old cars to get them to the shops, the post office or the doctor. Such issues are often referred to as the sparsity factor. I hope that the Government will consider the formula, and consider including a sparsity factor to ensure a more equitable distribution of funds between health authorities.

I described the temporary closure of Winsford hospital, pending a review, as precipitate, ill considered and illogical. I have known Winsford hospital for many years and visited it many times. It is a 15-bed hospital in the countryside, near the large village of Halwill Junction, which is designated for significant growth in the emerging local plan. The small town of Holsworthy is more than 10 miles away, and the North Devon district hospital at Barnstaple is 35 miles away. Winsford is in the centre of a large geographical area and although the population that it serves in scattered, it comprises many thousands more people than the health authority suggests.

The lack of consultation by the health authority and other procedural failures leading to the closure decision are the subject of judicial review proceedings. The decision stunned the local community because the health authority tried to close Winsford four years ago. In January 1994, Dr J. M. Dodds published her report on the hospital. I should like to draw the House's attention to some of her conclusions. She said:

"More than half the patients whose care I studied had in addition to their V60 admissions a significant number of acute hospital admissions."

She added:

"I am aware of the general high quality of the acute medicine practised throughout the hospital."

She continued:

"I was impressed by the integrated social and medical services offered to the thirteen rural parishes that Winsford serves."

I could quote many other parts of the report to make Winsford's case. It was an objective report commissioned by North and East Devon health authority and the Northern Devon Healthcare NHS Trust. Dr. Dodds rightly paid tribute to the dedicated and skilled staff at the hospital.

My hon. Friend the Member for North Devon (Mr. Harvey) and I discussed the closures at Winsford and Lynton—which is in my hon. Friend's constituency—with the Secretary of State. Neither my hon. Friend nor I could understand the health authority's logic. The authority said that there would be no redundancies; yet more than 80 per cent. of the costs in the NHS are salaries. The figures given to the Secretary of State—presumably by the health authority or the trust—are flawed at best and misleading at worst. They predict savings on salaries at Winsford of £189,000; yet we were told in the report that there would be no redundancies. Winsford has an 80 per cent. occupancy rate, but nothing in the figures indicates who will bear the cost of treating those patients elsewhere. What do they propose to do with them?

There are many poor and neglected people in the countryside who need and deserve medical care within a reasonable distance of their homes. The roads in the Winsford area are poor and, as I have explained, there is little public transport. The Prime Minister went out of his way at his first Question Time, in reply to his hon. Friend the Member for Pendle (Mr. Prentice), to highlight the inadequacies of public transport—particularly, he said, in rural communities. The closure of their hospital will only add to the disadvantage and neglect suffered by some of the least well-off and most vulnerable people in Britain. For many, Winsford is a lifeline and it is immensely important for that isolated community.

I believe that the health authority and the trust consider that a temporary closure, pending a review, is the easy way to close the hospital permanently. They believe that closing Winsford is a soft option. Winsford costs a total of £395,000 per year to run, according to the health authority's own figures, and that includes all the employees' salaries. That represents one third of 1 per cent. of the annual budget of the North and East Devon health authority—a small sum to provide some 10,000 people in that rural community with the health support that they require and deserve. I hope that the Government will prevail upon the health authority to abandon its plan to close the hospital.

10.22 pm

Mr. Nick Harvey (North Devon): I congratulate my hon. Friend the Member for Torridge and West Devon (Mr. Burnett) on securing the debate to discuss this important issue and on the eloquence with which he has made his case, which is formidable. He is right on three counts.

First, it is urgent that the new Government look at the basis on which health authorities are given their funds. My hon. Friend the Member for Torridge and West Devon has rightly drawn a comparison with the basis on which

local authorities are given their funds. There is a clear cost implication of running health services across large, scattered and rural populations, every bit as much as there is a cost implication of running local authority services in such communities. One needs more staff to cover the same population, as well as more car journeys and more person hours to provide the same level of service.

Any formula seeking to allocate funding to authorities should not take funding away from rural communities and divert it to wealthy urban and suburban communities, but should recognise that—aside from London weighting allowance—we should be putting money into rural communities, not taking it away. It is essential that, as a matter of urgency, there is a review of health authority funding, just as it is absolutely urgent that there should be a review of local authority funding.

The second point to which my hon. Friend referred with great eloquence was the essential nature of those services to the communities which they serve. We have been impressed by the speed and determination with which the new Secretary of State for Health has intervened to prevent the closure of London hospitals, which he did not think was warranted or justified. He has acted decisively. The small communities around Lynton and Lynmouth and those near my hon. Friend's community of Winsford depend on those small cottage hospitals every bit as much as the communities in the large urban areas depend on the more famous London hospitals which the Secretary of State has now prevented from closing. I urge the new health team on the Treasury Bench to recognise the strength of feeling in those communities.

For example, Lynton and Lynmouth are more than 20 miles from the nearest hospital. As many hon. Members who have chosen to visit that picturesque area will know, the casualty service at Lynton is called upon greatly during the summer months when the population is swollen a good deal. I am extremely worried that the closure of Lynton hospital on 15 August will occur eight weeks before the Lynton and Lynmouth season is over. It is also most unfortunate that the closure comes on the anniversary of two events—first, the opening of the hospital 100 years ago and, secondly, the Lynton flood of 1952. It is macabre timing indeed to choose that particular date.

The third point that I wish take up from my hon. Friend's speech is the sheer illogicality of what has been proposed. The health authority is pretending that with the temporary closure of the hospitals for half a year one can make savings worth half the annual running costs. That is absolute nonsense. The staff will be kept on and paid to work elsewhere; the health authority will also pay for treatments to be carried out in other places; and it will pay to keep the buildings heated, lit, insured and maintained because other services will be provided within them. It is therefore nonsense to suggest that savings can be made. My hon. Friend is absolutely right to refer to the sheer illogicality of the proposal and the haste with which it has been proposed.

In common with my hon. Friend, I urge the new health team to act in the same decisive manner as has been shown towards the glamorous London hospitals and to recognise that, for the communities involved, those two small cottage hospitals are every bit as important.

10.26 pm

The Minister of State, Department of Health (Mr. Alan Milburn): I am pleased to have the opportunity to respond to the debate. I congratulate the hon. Member for Torridge and West Devon (Mr. Burnett) on securing the debate and the terms in which he addressed the important issues. I also congratulate his hon. Friend the Member for North Devon (Mr. Harvey). I know that they met my right hon. Friend the Secretary of State for Health recently and expressed to him some of their concerns. I am also aware of correspondence between them and my right hon. Friend subsequent to that meeting.

At the outset, I acknowledge the hon. Members' concern about rural hospitals and the important role they play in their communities and in the wider health service. It is important, however, that all hon. Members should get the position straight.

We have an extremely challenging legacy as a consequence of the situation that the Government and, more importantly, the NHS and local communities now face. In particular, we have a challenging financial legacy. The hon. Members will be well aware that the local health authority is on the front line in terms of meeting some of those challenges. It is fair to say that those problems are more deep-seated than we and, I suspect, the health authorities had anticipated.

We know that the NHS is under considerable pressure this year. As Liberal Democrat Members will appreciate, we have taken decisive action to agree with the health service that the immediate pressing priority, particularly as we approach the winter months, is to respond effectively and efficiently to emergency pressures. We must also secure a more stable financial environment in the future. Hon Members will be aware that my right hon. Friend the Chancellor has announced a substantial level of investment in the NHS for the next financial year.

All health authorities and trusts have been asked by the NHS executive to balance their budgets this year. I freely acknowledge that that will require considerable effort, but there is a straightforward choice facing the House and the national health service: either we take difficult decisions now, or we defer difficult decisions, but difficult decisions there will be. They will not go away, and no amount of wishful thinking and magic-wand waving will make them go away. They are here, and we have to tackle them.

Mr. Burnett: The point I tried to make was that, on a cold, calculating analysis of this year's figures, we do not believe that there will be anything like the savings that the Secretary of State is being misled into believing there could be. We invite him to scrutinise those figures again, because we believe that they are at best misleading, and at worst fallacious.

Mr. Milburn: I am willing to accept the hon. Gentleman's concerns at face value, and I am happy to receive representations from either him or his hon. Friend the Member for North Devon disputing the jointly agreed health authority and trust figures. If he wants to make further representations in the light of information sent to my right hon. Friend the Secretary of State, I shall gladly examine those representations.

[Mr. Milburn]

As I said, a considerable effort will be required to balance budgets this year. As the hon. Gentleman is aware, North and East Devon health authority faces a difficult financial situation in that it has a recurrent deficit of £2.2 million, which is clearly an untenable and unviable position to take into the next financial year.

The authority is now engaged on a three-phase review of services. The range of proposals announced on 4 June, which includes the temporary closure of Lynton and Winsford hospitals, is designed to save some £6 million by the turn of the century. At the same time, I have been assured that a full range of services to patients will continue to be available locally, although the means of their delivery may inevitably change.

I am aware of concerns about that, and, in particular, of the substantial concerns expressed here this evening and in the community about the way in which decisions regarding the temporary closure have been taken, so, in preparation for this debate, I inquired closely into the background of this rather unusual decision.

Wherever possible, decisions that pre-empt a full-blown health authority consultation on reconfiguration plans should be avoided. I am informed, however, that the health authority felt obliged to close temporarily both Winsford and Lynton hospitals in order to meet its statutory obligation to remain within its financial allocations. Clearly that is a decision and a set of circumstances that everyone involved—including the health authority and the trust—would have preferred to avoid. As I said earlier, the health authority and the trust are at the sharp end of the legacy I described.

The health authority and the trust are not alone—the situation is not unique and very difficult decisions have to be made—but, for the benefit of Opposition Members, I repeat that decisions have to be taken sooner or later. I do not want health authorities, trusts and the national health service to enter the next financial year with the sort of deficit problems with which they entered this financial year.

Opposition Members may smirk, as they are doing, but every pound that health authorities are in debt at the beginning of a financial year is a pound less to invest in front-line patient services. I want public money to go into front-line patient services so that patients in all parts of the country get the services they need and deserve.

Mr. Harvey: The Chancellor in his Budget, and Ministers since, have made much of the additional funding that is going into the NHS next year. Would it not get us out of the position that these two hospitals and many others must find themselves in, if just a small amount of debt were allowed to be carried forward into next year, which we are told will be so much more benignly funded than previous years have been? As my hon. Friend the Member for Torridge and West Devon (Mr. Burnett) said, the sums involved are tiny. If it were allowed to carry just that much forward into next year when the bounty arrives, we need not suffer the pain and anguish of this temporary closure now.

Mr. Milburn: I know that Liberal Democrat Members are always tempted to try to defer decisions, but the present Government believe in taking decisions—that is what government is all about.

I return to the substantive issue that the hon. Members for Torridge and West Devon and for North Devon addressed. Decisions on the long-term future of services in Winsford and Lynton will be taken by the health authority in consultation with the local community later this financial year, following completion of a review of the health and social care needs. I should like to reassure both hon. Members that any proposals for permanent service changes will be subject to full public consultation.

I give both hon. Members a further assurance: that I will ask the south-west regional office of the national health service executive to monitor that consultation exercise very carefully indeed, and especially to ensure that it embraces and engages with all of the key stakeholders in the community, to ensure that the right decision is ultimately reached.

That is important because small cottage hospitals inspire a great deal of affection and attachment in the community. As hon. Members are aware, traditionally the role of the rural cottage hospital has been to provide basic cost-effective care, generally for an elderly population, in an environment that is close to their homes and where there is easy access for relatives and friends to visit.

However, as I am sure all hon. Members are aware, the pattern of health service demand has altered radically during the past few years. Change is endemic in the national health service, and change will continue. I believe that, overwhelmingly, most changes in the NHS will be positive changes that will benefit patients.

That is not to say that local community hospitals closely linked to primary care services will not have an important role to play in future; they will. However, decisions must be taken in the context of the resources available to the local health service.

The hon. Member for Torridge and West Devon made some important points about the resource allocation system. As he knows, health authorities are responsible for the expenditure of significant amounts of public money. I do not know whether I am one of the dead or the insane, being in the Chamber at this time of night, but the national formula for the allocation of resources to health authorities distributes resources on the basis of the relative needs of local populations, and takes account of several key factors. Those include the age structure of the local population, the additional health needs of that population and the unavoidable local variations in cost that occur in the delivery of local health services.

I can tell the hon. Member for Torridge and West Devon—and in so doing respond to the concerns and promptings of the hon. Member for North Devon—that the weighted capitation formula is being kept under review, and we shall continue to look at the way in which resources are distributed throughout secondary and primary care, to ensure that their allocation fully reflects the needs of local people and operates as fairly as possible.

The hon. Member for Torridge and West Devon will be interested to know that work has been commissioned to investigate the possible extra costs associated with the provision of accident and emergency and ambulance

services in rural areas. A report is expected in the autumn, and the results will be carefully considered. I hope that that helps to provide some reassurance to hon. Members who represent important rural communities.

The review of how resources are allocated notwithstanding, priorities in the NHS have to be established. Whereas clinicians will always have the lead role in deciding the care and treatment of patients, it is health authorities that must decide on the right investments for differing population groups in different areas. In doing so, they will seek and pay heed to any advice that clinicians and other stakeholders can give.

Health authorities assess the health care needs of their resident populations, draw up strategies and purchasing plans in collaboration with local people and other interested organisations, and secure a range of primary, acute and community health services which will best satisfy those needs.

The challenge facing health authorities in Devon is how best to get the right mixture: how to provide as comprehensive a range of services as possible for their local populations within the resources at their disposal. I hope that the hon. Member for Torridge and West Devon will agree with me that rural hospitals are an important element in the NHS, but that they are also just one element of a comprehensive range of services available throughout the country.

I hope that the hon. Gentleman will further agree that the staff of small hospitals and other hospitals in rural areas, in collaboration with family doctors, community and district nurses, and the larger, more specialised hospitals, together provide and integrated service which offers the community a continuing excellent standard of care.

Unfortunately, when closure plans are in operation, attention inevitably centres on the many difficult decisions that the NHS is having to take. It is always important, therefore, to remind ourselves that most patients and staff take the view that the NHS is something of which to be proud. It is the envy of the world; I want to make sure that it continues to be the envy of the world. To that end, NHS care must be available on the basis of clinical need to all patients who need it. Above all, every part of the country must have access to one standard of NHS services of the highest possible achievable quality.

Question put and agreed to.

Adjourned accordingly at nineteen minutes to Eleven o'clock.

House of Commons

Wednesday 23 July 1997

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Investment (OECD Multilateral Agreement)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

9.34 am

Mr. David Chaytor (Bury, North): Thank you, Madam Speaker, for enabling this debate to take place this morning. I am pleased that so many hon. Members have chosen to attend, because it has to be said that the Organisation for Economic Co-operation and Development multilateral agreement on investment is not the stuff of soundbite politics, nor a topic that preoccupies many people. Nevertheless, it is a matter that has profound implications for millions of people in this country and throughout the world, so it is important that we now start a wider public debate on the subject.

I do not claim any specialist knowledge of the MAI—far from it—but I have concerns about the process by which the MAI has been negotiated and progressed so far. That process has been largely shrouded in secrecy, which is reflected in the references to the agreement made in the House over the past few months: no major debate, a small memorandum to a Select Committee, and only a handful of parliamentary questions. It is also reflected in the complete lack of understanding of the agreement and its implications among the public at large and the limited press coverage of the subject over the past 18 months. I sought today's debate to ensure that understanding of the MAI is more widely disseminated and to enable a serious public debate to be started. In its current draft form, the agreement—negotiated largely in secret, originally due for completion two months ago but now postponed until 1998 and little understood by anyone in any of the countries to which it relates—is capable of having the most profound effects on the lives of men and women in every country.

The MAI is a free-standing international treaty on the protection and liberalisation of international investment, including direct equity and portfolio investment. It has been negotiated solely by the 29 OECD countries, but will be open to non-members. I understand that Argentina, Chile, Slovakia and Hong Kong are scheduled to be invited to join in the first wave. Negotiations on the MAI started in 1995 and were the culmination of many years of discussion about establishing an agreement on international investment. They were scheduled to finish in May 1997; however, the complexity of the treaty and the number of exemptions that countries have now started to file mean that the date for signature has been put back until May 1998.

The MAI aims to promote a non-discriminatory system of global investment regulation. Each party to the agreement commits itself to certain conditions: first, not to treat foreign investors worse than domestic investors or exclude them from any sector not covered by a specific exemption. That means, however, that foreign investors may be treated better than local investors. Secondly, the parties agree to extend any advantage given to one country's investor to all countries in the MAI. Thirdly, they agree not to expropriate investments, either directly or by changes in taxation or regulation, including environmental regulations, without full market-rate convertible currency compensation. Fourthly, countries promise not to restrict profit repatriation, even when experiencing severe balance of payments problems. Fifthly, they agree not to apply any restrictions on incoming investors in respect of technology transfer, joint ownership, local employment, local purchasing, export levels, production into local markets and employment of personnel.

The aim of the MAI is to roll back existing legislation, so that all sectors are open to inward investment. Parties will agree not to introduce any new discriminatory laws, and will then register a list of exemptions for national laws. That process of registering exemptions has been one of the main reasons why the completion of the negotiations has now been deferred for another 12 months. I understand that 500 pages of exemptions have now been registered, covering sectors such as air and maritime transport, natural resources and fishing, forestry, mining, oil and gas, toxic waste disposal and competition laws.

Finally, the rules will be enforced by binding international arbitration. Disputes can be initiated not only by states but by private investors, and they will apply both to existing investments and to attempts to enter a country. The international tribunal will be able to order states to reform their laws so as to be in compliance with the MAI; and to pay compensation to the affected investor. States cannot, however, use the tribunal to enforce reciprocal duties on investors under the MAI.

Those negotiations must be seen in a context in which foreign investment increased by 800 per cent. between 1983 and 1990, and in a single year, 1994–95, by a staggering 46 per cent. Significantly, however, most of that investment is concentrated in the three major economic powers—Europe, Japan and north America. Over the past 10 years, 70 per cent. of all foreign direct investment has gone to just 10 countries. By contrast, the 48 least well-developed countries, with a combined population of 570 million, have received a mere 3 per cent. of global investment in the past two decades.

Of the $100 billion invested in developing countries, two thirds goes to south-east Asia, with China being the principal beneficiary. In recent years, investment in sub-Saharan Africa amounted to less than 1 per cent. of its gross domestic product. The potential, therefore, for rapid expansion of foreign direct investment in the poorest countries is enormous; and it is partly to prepare the ground for it that the MAI is being negotiated.

The anxiety is that with that enormous growth in foreign direct investment, and the explosive growth in currency markets—they are now trading $1 trillion a day—the fear of losing investment will force Governments to lower environmental and social standards. That is a serious issue for countries already

[Mr. David Chaytor]

receiving investment. It is an even more dramatic dilemma for countries desperately trying to get on the first rung of the ladder of international investment. The costs of that race to the bottom—the race to lower standards—will be borne by workers, whose health, standards of living and security of employment will be put at risk. They will also be borne by future generations, as Governments use short-term gain to strip out the natural resources of the world today.

There can be no disagreement about the fact that an international treaty on investment is necessary. The current patchwork quilt of bilateral agreements is unsatisfactory and arguably leads to investment being concentrated in so-called safe countries. The issue therefore is: what should such an international investment agreement contain? A major concern is that the current draft agreement, although arguably non-contentious for a limited number of broadly similar western economies, contains serious limitations when it is extended, as is the intention, to developing countries. There are always likely to be conflicts between transnational corporations investing in developing countries and the objectives of the host countries. Those, however, can be resolved by careful framing of regulations.

The MAI will effectively transfer a new area of national development policy from national Governments to unelected multinational corporations, which will remain free to act in their own interests—without obligations to observe any form of minimum standards with regard to public welfare, the environment or fair business practices.

The fundamental principles of the MAI are in clear conflict with existing non-binding agreements signed by Governments at the Earth summit and subsequently at more recent summits. Contrary to those agreements, the MAI promotes liberalisation of capital as an end in itself, instead of attaching priority to combating poverty and protecting the environment, and protecting workers, consumers, indigenous cultures and other vulnerable groups.

Compounding that tendency, the MAI establishes a one-way dispute mechanism that extends economic powers into the political arena, including the right of foreign investors to take Governments and local authorities to an international tribunal, where they can challenge host country laws. Here again, there is no corresponding right of Governments or their citizens to take action against investing multinationals that breach international agreements.

The scale of the operations of the world's 40,000 multinational corporations is staggering. The top 500 multinationals, 95 per cent. of which are located in OECD countries, account for 80 per cent of foreign investment and 70 per cent. of world trade. Annual sales of the eight largest multinationals exceed the GDP of the 50 poorest countries, which contain more than half the world's population.

The priority for international regulation must be to harness the power of those transnational corporations for the sustainable and equitable development of host countries. Agreement on their responsibilities should precede any further strengthening of their rights.

Another concern is that non-OECD countries—a majority of the world's countries—have not been involved in the current negotiations, but will be invited to accede to the final agreement. The MAI is already being promoted as a stamp of approval for foreign investors. For most of the developing world, with few options for economic development, the pressures to sign will be irresistible. The MAI will take international economic liberalisation to its next stage. The world's poorest countries have already been persuaded to lower their tariff barriers under the general agreement on tariffs and trade Uruguay round and to concentrate on export-oriented commodities, under various structural adjustment programmes.

The outcome for many of the poorest countries has been disastrous. In the first half of the 1990s, people in 19 of the world's 51 poorest countries have watched their living standards fall as commodity prices have fallen, because of over-supply. Meanwhile, employment in the formal sector has declined in the face of international competition and International Monetary Fund-enforced cuts in Government spending. As a result, the number of people living in poverty throughout the world has reached unprecedented heights.

The MAI will take away further powers of Government over economic policy making. Those powers have been important in the development of most OECD countries, to protect the public from the negative impact of foreign investment, and to strengthen links between foreign investment and local economies. Ironically, the OECD countries that have benefited from those powers in the past now seek to deny them to today's developing countries.

In recent months, many organisations have expressed concern about the progress of the MAI; I should like to refer to two of them. Christian Aid has produced a statement identifying the weaknesses in the agreement. It says that rights should go with responsibilities and calls for corporations to apply the same high standards wherever they do business in the world, using clean and appropriate technologies and respecting local development needs. Christian Aid says that investment should be long term and productive, and calls for new mechanisms to be developed to restrain speculative investment. Under the MAI, it says, host Governments should be permitted and encouraged to develop policies to meet those goals. Finally, the organisation calls for the development of mechanisms that will encourage investment to reach the poorest countries and, inside those countries, ensure that investment is available to small-scale entrepreneurs and businesses, via micro-credit schemes.

Oxfam has also criticised the current draft agreement. In its view, the MAI needs to be amended to promote forms of international investment that benefit communities and the environment. First, there should be greater transparency and consultation in the negotiation process. Secondly, investment decisions should be made democratically accountable: citizens and communities should have the right to bring claims directly against investors who breach international agreements. Thirdly, investor rights should be balanced with obligations to comply with international labour, environmental and consumer standards. Fourthly, there should be regulation of anti-competitive behaviour and restrictive business practice and there should be common rules for financial incentives and taxation.

Many alternative recommendations for inclusion in the MAI have been considered. Some people have argued that there should be regulations positively to prevent the weakening of environmental standards, to ensure that none of the provisions of the MAI conflicts with existing international agreements, to include references to public information on companies' activities, to take steps to prevent corruption of public authorities in the award of contracts to foreign investors and, most important, to prevent the use of transfer pricing as a means of avoiding local taxation.

At the heart of the issue lies globalisation. What type of future do we want for the planet? Do we believe that unrestrained free-market capitalism alone can achieve the social, environmental and economic objectives that are increasingly shared by the peoples of the world—good housing, good education, decent health care and freedom from the fear of unemployment and from environmental degradation?

I suspect that many people are coming to believe that our love affair with the idea of globalisation is entering a difficult period, as more and more voices warn of the dangers of the limitations of the free market in serving social purposes, and of the social and environmental limits to economic growth. Do we really believe that simply exporting all the features of western civilisation to countries with a markedly different history and culture represents the ideal way forward for the world in the 21st century?

The problem with the MAI as it stands is that it provides for an unprecedented shift in power from national Governments—and sometimes loose federations of national Governments—pursuing a range of social, environmental and economic objectives, to transnational corporations with one objective only. It creates new rights for transnational corporations, but says nothing about their responsibilities. It leaves responsibility with national Governments, but takes away their rights.

In the past few weeks, we have had a new Government in the United Kingdom, who have made welcome statements about many aspects of our overseas relationships. My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs has made a statement, outlining an ethical foreign policy. A new Department of International Development has been established, which has promised a new approach to development issues.

Many people want the Department of Trade and Industry to follow those leads. Many people want the DTI to integrate its policy making with that of the Department of International Development. In addition to an ethical foreign policy, we should develop an ethical investment policy.

The current draft of the MAI gives enormous additional powers to the transnational corporations, 95 per cent. of which are housed in OECD countries. It enables them to sustain their operations and further entrench their power with minimal reference to the working conditions of the indigenous labour forces that they employ, the long-term impact on the environment in which they operate and their impact on the local economies of the countries into which they relocate.

We are proud to say that the new Labour Government have placed at the heart of their policy making the importance of the balance between rights and responsibilities. During the next few months, as negotiations on the MAI continue, there will be an opportunity to propose amendments containing powerful and effective conditions, to protect against the exploitation of labour and the destruction of the natural environment, to prevent the destabilisation of local economies throughout the world as a result of speculative investment and to endorse the principles of sustainable development.

We have a unique opportunity to establish a balance between rights and responsibilities in a way that will benefit the lives of millions of people for many years to come.

9.54 am

Mr. Denis MacShane (Rotherham): I congratulate my hon. Friend the Member for Bury, North (Mr. Chaytor) on initiating the debate and advancing his arguments compellingly. I regret the absence of any Conservative Member who is prepared to make a contribution to the debate—after all, the Conservative party is supposedly the party of globalisation and the free market. I suppose that the Tories are all getting ready for their grouse shooting or fox hunting, or whatever they now do in their spare time.

I have considerable personal interest in the subject of the debate because I spent a goodly part of my life tramping around bits of the world and witnessing the effect of multinational companies on local economies and societies. That experience may have caused me to adopt a slightly different perspective from that of my hon. Friend the Member for Bury, North. On the whole, I found that trade, the freer the better, is a good thing because, as the eminent socialist economist Joan Robinson once said, if there is one thing worse than being exploited by a multinational, it is not being exploited by a multinational.

Multinational companies are one of the most powerful vectors of the so-called north-south dialogue. I caution speakers in the debate before they counterpoise the all-puissant multinational and the robust democratic national Government because, in many parts of the world in which I worked, it was the national Government who were corrupt and dictatorial, creaming off as much money as possible and imposing labour and environmental standards that did immense damage to their people.

Mr. Alan Clark (Kensington and Chelsea): Hear, hear.

Mr. MacShane: I wish that Conservative Members would go off fox hunting and leave the debate to Labour Members, as we are the only ones who are interested.

Multinationals suffer far more public opprobrium and pressure than some third-world dictatorships. Just ask the chairmen of Shell, British Petroleum, or Nike in America, who find their annual general meetings invaded by campaigners on these issues. I wish that one could bring as much pressure to bear on some of the national Governments who are host to multinational companies.

We should not forget that multinational companies and the overseas flows of foreign direct investment largely represent our money—our pension fund money, our savings, our investments, local authority workers' savings and miners' savings. If we want to control the way in which that money is used, we should ask ourselves why,

[Mr. MacShane]

given that it is our money, we do not in our own countries effect sufficient controls to ensure that it is guided to proper and decent uses.

I believe that the multilateral agreement on investment comes down to a simple premise, "Do as you would be done by." In other words, to use another bit of trade jargon, it erects most-favoured nation status as a rule for investment, so that Governments must treat any company entering their country exactly as they would treat indigenous or national companies. If there is a problem concerning environmental and labour rights, which there is—my hon. Friend the Member for Bury, North spoke about it and I know that other hon. Friends will speak about it, because they are passionately concerned—the answer is to insist that national Governments impose appropriate laws, regulations and inspection systems, on the green front, on the front of child labour and so on.

What must not be permitted under the MAI, however, is for a Government—perhaps I do not want to name any specific Governments, but there are ones where the first families are known as Mr. and Mrs. Ten per cent.—

Mr. Clark: Name them.

Mr. MacShane: They are called that because that is the percentage that they take for their Swiss bank accounts—something on which the right hon. Member for Kensington and Chelsea (Mr. Clark) is an expert.

Mr. Clark: The hon. Gentleman should elaborate on that remark. He is making an interesting speech, to which I am paying great attention. He started it by saying that there were no Conservatives in the Chamber because they had all gone fox hunting, which is a slightly bizarre exhortation in the month of July, but we shall pass that by. He then said that he wished that Conservatives on the Opposition Benches would go off fox hunting. Does he want us here or not? Are we to have a proper debate, or does he wish to banish us to our field sports, of which, as he well knows, I have long been a consistent opponent?

Mr. MacShane: I am glad that there is one month a year in which the poor foxes are allowed to live. However, I welcome the contribution that I am sure the right hon. Gentleman will make to the debate in due course.

Let me return to the fundamental point: it is important and necessary for countries across the world to accept fair treatment of all investments coming into them, whether national or foreign direct. That is the core essence of the MAI. Many groups are rightly worried that they are being excluded from the negotiations and that their point of view is not being heard. However, the underlying principle, which we are now seeing in many different spheres of economic and environmental activity, of seeking to secure international regulations for problems that are no longer resolvable within the national framework, is good.

I very much welcome the new tone of the Government, who are stressing the importance of eliminating child labour, in stark contrast to the previous Government, who refused to join the United States and other allies in ensuring that issues such as child labour were placed on the agenda at the World Trade Organisation summit in Singapore last December. That was a shaming moment for our country, and the new approach of the Labour Government is to be welcomed. The need for wider international agreement will continue to have to engage Government Departments—both the Department of Trade and Industry and other Departments such as the Foreign Office and the new Department of International Development.

I hope that the new mandate given to our negotiators in Paris will acknowledge the consistent hard work being done by non-governmental organisations representing green and employee interests, to put their concerns before the MAI negotiators and to insist that binding agreements covering those issues are included in the new agreement when it is finally settled. Let us not be too optimistic, however, because in addition to the 500 exemptions that my hon. Friend the Member for Bury, North mentioned, I understand that the United States is demanding that the MAI should apply to none of the 50 states within the US. That makes a complete mockery of it—one rule for American multinationals in Latin America, but another for those in Wisconsin or Colorado, which can take no notice of the MAI in respect of British or Korean firms that enter their arena.

The French are demanding that culture be exempted. That is what the French are there for, but they are right to insist that their culture is not totally taken over by Hollywood, McDonald's or others who would reduce all national cultures to an American homogenised sludge.

I am therefore not convinced that all the grand international negotiations about which people get very excited and worked up will leave us next May faced with a new straitjacket or iron maiden, which will clamp around us and cause the terrible things that are being threatened.

I urge hon. Members not to counterpoise the green agenda with what I might call the human agenda. Most of the lobbying on that has been done by extremely energetic organisations representing different aspects of the new green movement, whether it is on nature itself or on animal rights. I am more concerned about the massive growth in child labour and the massive denial of workers organising and representing themselves in different countries. The worst kind of protectionism is not the unacceptable protectionism based around tariffs and quotas, but the protectionism of national Governments who seek to protect their own firms and foreign firms coming in from their own citizens' right to set up organisations to negotiate on their behalf, so that they earn a fair share of the value that they add to the products and services that they produce.

The OECD already has useful guidelines on multinational companies. They were set up in 1976 under the leadership of a Labour Government, but alas remained, if not a dead, a somewhat somnolent letter, particularly during the dark years of ideological free trade of the 1980s. Now that we have new Governments in America, France and this country, and democratic Governments in far more parts of the world, who seek to reflect and satisfy the needs of all of society, not just the needs of special interests, the OECD guidelines could be brought back into play. There is on the table in Paris a proposal for clauses that would ensure that existing standards on environmental or labour issues were not lowered under the new MAI. The countries involved, however, are split: 11 of them in the debate at the

beginning of this month favoured the inclusion of a binding clause on environmental and labour issues, while 11 favoured simply leaving that at a voluntary level. Even a voluntary level, which does not satisfy me, is a step in the right direction, and I hope that my hon. Friend the Minister will assure us that the British representatives will be among the 11 who want a binding clause. That is the way forward. We should not set national Governments in competition or opposition against multinational companies. That is not so much tilting at windmills; it is rather like the Polish cavalry charging at Panzer battalions.

I am afraid that there are definitely new economic developments that flow round the powers of the nation state. That tide will not be turned back. Our task for the 21st century is to create at international level the rules and regulations that reflect the needs of democracy, humankind and full respect for the environment.

Let us not simply say no to the MAI, because the world will just ignore that appeal. As my hon. Friend the Member for Bury, North argued, and as I hope the Minister will argue, let us work to ensure an alliance with other countries, so that the MAI and other international trade and investment agreements that will be debated in forthcoming years place at their forefront, on a par with the economic rights of companies, the rights of human beings and the environment.

10.7 am

Mr. Eric Forth (Bromley and Chislehurst): The intriguing feature of these occasions is that if we are not careful there is a danger that a small number of hon. Members come along clutching briefs prepared by well-meaning organisations and deliver them to an empty House. That is always to be regretted. These are proper debates, properly held in this House, and they should therefore carry all the weight that goes with that phenomenon.

It will embarrass the hon. Member for Rotherham (Mr. MacShane) if I say that I agreed with the measured tone of his speech. I hope that it will set a framework for this debate because he tried to strike a proper balance between what are often wrongly seen as competing interests rather than as interests which should naturally go together.

I shall make two or three brief points as a contribution to the debate. First, there is a danger that we tend to bring a latter-day imperialism to such a debate. We have a view of the world that is well meaning and informed by the sort of groups mentioned earlier, but which may or may not be relevant to the countries that those groups and hon. Members are seeking to help.

I have always been suspicious of the proposition that we in wealthy western Europe, mollycoddled by our international organisations and protected by the European Union and our membership of the OECD, have something that is necessarily relevant to say about different cultures, different traditions and very different stages of economic development. We should be careful to guard against such an assumption.

That leads directly to a second problem, to which the hon. Member for Rotherham referred. A glib assumption is often made that Governments in what we rather patronisingly call underdeveloped, developing or third-world countries are sufficiently pure and knowledgeable that they know what is good for their own people, and that if we involve them or leave matters to them, all will be well.

Experience in all too many countries suggests just the opposite. It is possible, as the hon. Member for Rotherham pointed out, that the involvement of even a transnational or a multinational company in a developing country might be a greater force for the good or the better of the people of that country than their Government would be in providing investment and employment. It must be a matter for those Governments to make a judgment about the basis on which they would welcome—or not—investment into their own countries.

One of the great dangers of debates such as this is that we succumb to a rather easily patronising or latter-day imperialistic view of the world, believing that we know what is good for everyone else and that we should set about telling them that, at the risk of undermining aspects of their economic development—the very thing that we say that we want to improve.

The third issue is the assumption underlying the opening speech of the hon. Member for Bury, North (Mr. Chaytor) that we, or—worse still—bureaucrats and politicians combined, know better where investment should go than those who are making the investment. I have been in the political business long enough to have more than a touch of suspicion about the knowledge and wisdom of politicians and occasionally, dare I say it, of officials and bureaucrats.

I do not have a starry-eyed view of the world of business and commerce. Of course they have their priorities, but what benefits businesses and their shareholders and employees often tends to benefit the wider community within which they operate, perhaps more so than the judgment of politicians and bureaucrats, whether in Paris, Geneva or the capital cities of the countries receiving the investment.

We should be careful before uttering a string of good-sounding clichés to solve all the problems. If we examine the speeches that have already been made and, I would not mind betting, those still to be made, we shall find an extremely high cliché content. They will contain words such as environmental protection, partnership, co-operation and all the other things to which we are supposed to pay lip service, which sound good but which, when subjected to detailed analysis, mean precious little.

I hesitate to keep quoting, but as the hon. Member for Rotherham suggested, we must find a sensible way of bringing together business interests, shareholder interests, employee interests, international development and global flows of money and investment, to meet the aims and aspirations of countries that are highly developed and those that have yet to enjoy economic development. That is surely the way ahead.

From the description of the international agreement that we heard, it sounds to me as though it provides a good basis from which to start. We should try to move it this way or that, rather than to tear it down. I hope that the tone of the debate will continue in the way that it is developing, and that contributors will offer specific suggestions about how the agreement could be made to work better, rather than a string of meaningless clichés.

10.14 am

Mr. Jeremy Corbyn (Islington, North): I welcome the opportunity for this debate, and I congratulate my hon. Friend the Member for Bury, North (Mr. Chaytor) on gaining it and on his opening remarks.

It is strange that a major development such as the multilateral agreement on investment, which has enormous implications for every citizen of the planet, should have to be debated in an Adjournment debate in the House and, I suspect, is not being debated at all in many other Parliaments, although its implications go far and wide.

The MAI proposal is a charter for multinational corporations, unaccountable and unelected, to behave as they wish around the world, to the destruction of the environment, the damaging of living standards and the aggrandisement of their own profits, all of which will eventually be repatriated to the OECD countries where those companies originate.

We must take seriously the issues of democracy and accountability around the world. Fifteen or 20 years ago a number of countries tried hard to curtail or control the power of multinational corporations. The Governments who tried to do that found themselves facing the wrath of the International Monetary Fund and the international bankers and were unable to proceed.

I well remember the way in which the Government of Jamaica were removed in 1979 by the IMF because they opposed the power of multinational corporations. I remember the coup in Chile in 1973, which occurred for the same reason—because the Government opposed multinational corporations. I remember the Government of Guatemala being removed in 1954 because they opposed the power of the United Fruit Company. The list is endless.

It is sad that the United Nations, having aimed to be a democratic institution and to promote such good agreements as the Rio agreement and, more recently, the New York summit on the environment, has turned its back on the issues of economic democracy. After the Rio summit the UN closed down the multinational corporations office and has sought to hand over its economic thinking to the World bank and the IMF.

The right hon. Member for Bromley and Chislehurst (Mr. Forth) complained—strangely, for a Conservative—about the northern European imperialistic view of the world, which I do not share or recognise. He was concerned about well-meaning organisations in the north, as he so charmingly put it, which try to advise the rest of the world. I was not aware that he was an active supporter of Oxfam, the World Wide Fund for Nature or other such organisations.

Mr. Forth: I am not.

Mr. Corbyn: That is okay, then—I was slightly worried for a moment.

So as not to be accused of taking part in some northern neo-colonial attempt to control the rest of the world, I will quote from a document produced by the Third World Network, an interesting organisation based in Penang, Malaysia, which seeks to bring together non-governmental organisations within what we choose to call third-world countries to examine the impact of multinational corporations and their operations on the environment, living standards, labour conditions, child labour and so on around the world.

The Third World Network summarises the aims of the MAI as follows:

"The right of entry and establishment of foreign companies in almost all sectors, except security"—

which means that Governments lose authority to determine what a foreign investor can do—

"The right to full equity ownership"—

which means that Governments would not be allowed to impose a condition that foreign companies should allow a portion of their equity to be owned locally or form joint ventures with local firms. With reference to national treatment, the foreign company must be treated on exactly equal terms with local companies.

Mr. MacShane: I do not know whether my hon. Friend has been in Penang, but I have. German multinational companies there would like to give trade union recognition to their employees, as they do in Germany, but are forbidden to do so by the Government. Oddly, under the MAI that Government rule could not apply.

Is my hon. Friend further aware that women workers in Penang who are employed by Bosch and Siemens escaped from the patriarchal oppression of village life, where they are treated little better than slaves? Does he agree that there are times when multinationals can help to liberate people from the difficulties and oppression to which they would otherwise be condemned?

Mr. Corbyn: I must admit that I have never noticed the charitable nature of multinational corporations in their activities around the world, to which my hon. Friend refers. I am concerned that multinational corporations behave in a manner that is unaccountable to national Governments of any country. They have the power to control the destiny of whole economies and entire peoples. If all national Governments are told that they must treat multinational corporations in the same way as they treat local companies, they cannot provide for local initiatives or promote the development of local co-ops at the expense of multinationals. The MAI would also protect the rights of foreign investors as to intellectual property, physical property speculation and land ownership. National Governments simply cannot enter the argument about developing economies for the benefit of local people rather than of transnational corporations if they are forced to join the MAI.

The notion that improving foreign investment in the third world will put everything right flies in the face of reality in many countries. In 1995, the deputy Finance Minister of Malaysia said:

"The rise in the trade deficit is mainly due to an increase in the import of capital goods brought in by foreign investors. If not for foreign investments in 1995, Malaysia would have recorded a large excess in the trade account."

He, and many others, are concerned that multinational companies pay little regard to developing the local economy: they are interested only in their own global development and improvement.

Mr. Forth: I am fascinated by the hon. Gentleman's comments. He seems to believe that a temporary trade surplus is a more desirable objective for developing

Governments than the benefits of long-term investment, which may flow from the temporary importing of capital goods. That is a rather odd set of priorities for the hon. Gentleman, of all people, to espouse.

Mr. Corbyn: The hon. Gentleman will be aware that long-term investment can disappear after three years. Governments have no control over what happens to such investment or over the repatriation of profits. My point is that the involvement of multinational corporations in Malaysia is not necessarily wholly beneficial to the local economy, as its Finance Minister pointed out. He is particularly concerned about those companies' purchasing practices, but there is nothing that he or any other Finance Minister in any developing country can do about it if they sign the MAI.

As to poverty in the world's poorest countries, the World Development Movement has highlighted an interesting quotation from the Ugandan Finance Minister, Basoga Nsadhu. He pointed out that African countries were put under enormous pressure to introduce democracy, structural adjustment programmes, liberalisation and privatisation. They were told that if that happened they would receive the investment and the advantages that they needed, but they have not received those benefits: instead, they are under constant pressure to repay a debt that is unpayable because of the way in which it was incurred and because they have no control over interest rates or oil and commodity prices.

In this debate, I would prefer to see hon. Members addressing the problems of environmental stability and poverty on the planet and the need for an inclusive economic strategy involving the poorest people in the poorest countries. I do not believe that the MAI will address any of those problems because the multinational corporations are not of that ilk.

My hon. Friend the Member for Rotherham (Mr. MacShane) referred to labour rights and conditions, and I agree with him, but why do the MAI and the World Trade Organisation not insist upon every country's implementing the absolute minimum of International Labour Organisation conditions? They do not propose to do that. Multinational corporations tend to operate to the lowest common denominator in every country. The MAI will make illegal any attempt to impose trade union rights as the basis for investment by multinational companies. That would have many repercussions.

In the latter part of the 20th century, we should address issues of poverty and accountability around the world and the need for technology transfer. All countries were represented at the Rio conference in 1992 because the world recognised that there were limits to growth and to exploitation of the natural environment, which had climatic implications. Five years on, the overseas aid has not been provided and the technology transfers that could have helped to lower pollution in poorer countries have not occurred. Liberalisation of trade has increased air and sea pollution and the dumping of toxic and other waste in poorer countries, where disposal is cheaper than in northern countries.

The New York environment summit almost collapsed because of the intellectual property rights issue. Northern countries, acting on behalf of multinational corporations, refused to agree to transfer the necessary technology to poorer countries to enable them to introduce refrigeration systems and vehicles that are less polluting. The OECD countries are absolutely determined that the only model that matters is the power of multinational corporations to go where they will, invest where they will and produce what they will—indeed, to run the world's economy.

Surely to God, at the end of this century, we should look for some form of global arrangement that provides for democracy and the transfer of wealth from the richest to the poorest rather than vice versa. We should surely not sign a charter that gives multinational corporations everything they want and diminishes the power of democratically elected Governments to take action to control the activities of those companies in exploiting and damaging the environment.

Ultimately, the agreement may be signed. However, many people around the world simply do not accept the global economic argument. Those in the rain forests of Latin America do not accept that multinationals have the right to destroy their rivers and forests, and they are fighting back. People in India are determined to fight the World Trade Organisation. We close our eyes to opposition to the idea of the global free market because we do not want to know about it, but such opposition is growing fast.

I hope that the House will at least recognise that the MAI is not a step forwards, but a step backwards and a step away from any form of regulation. It is a step towards giving multinational corporations everything they want, and, at the end of the day, we shall pay the price—just like the people of the poorest countries in the world.

10.27 am

Mr. Tony Colman (Putney): I must declare an interest as chair of the United Kingdom Standing Committee on Local Authority Pension Funds and of Church, Charity and Local Authority Fund Managers Ltd. In that context, I am a former manager of a multinational. I congratulate my hon. Friend the Member for Bury, North (Mr. Chaytor) on securing the debate, on a subject which is extremely important not only in this country but throughout the world.

I begin by complimenting the right hon. Member for Suffolk, Coastal (Mr. Gummer), who is not in the Chamber, who made a very interesting speech at Earth summit 2 last month, a copy of which I believe should be placed in the Library. He referred to the multilateral agreement on investment and the World Trade Organisation, and pointed out clearly that the issues relating to the Rio treaty and process and sustainable development had moved away from the United Nations to the World Trade Organisation and the Organisation for Economic Co-operation and Development. He expressed concern on behalf of all hon. Members—it is interesting that, in the spirit of a new Labour Government, the right hon. Gentleman was a member of that delegation—about the somewhat secret treaty that is being negotiated behind closed doors. He said that it should be brought into the open and become part of the United Nations process.

I support the idea of an international treaty covering the matters that the MAI should be discussing—market access, legal security and those dealing with corruption—but it must be on the essence of sustainable development. The language of Rio, which has been so strongly negotiated around the world, should be within any agreement on investment worldwide.

[Mr. Tony Colman]

As has been said by my hon. Friend the Member for Islington, North (Mr. Corbyn), there were real problems at Earth summit 2 in New York. There was particular concern not only about the basis of the transfer of intellectual property rights, but about transfers of investment. I remind the House that the public sector flows that were committed to at Rio have not been achieved. In fact, there has been a dramatic reduction, and the only basis on which this could be made up is through the private sector flows which have increased dramatically, as my hon. Friend the Member for Bury, North pointed out. If we are looking to a combination of public-private partnership in terms of sustainable development, it must be within terms that are acceptable to the United Nations and to the families of nations on this earth.

One of my opponents at the last general election was Sir James Goldsmith, who died last Saturday. I am sure that the condolences of the House go to his family. I owe a great deal to my hon. Friend the Member for Rotherham (Mr. MacShane), who pointed out the differences in "The Trap", a book written by Sir James, in terms of his views on the European Union. The one thing to which he devoted the last 10 years of his life was very much pointing out the effect on the environment, on world issues, of allowing multinationals to do what they will, untrammelled, across the world. I pay tribute to his brother, Edward Goldsmith, who perhaps woke up to this rather earlier than he did. I wish that more people would speak out on this. The chairman of BP made a very impressive speech in June on the same subject.

One of the outcomes of the social summit in 1995 was that the World bank was required to have environmental and social impact assessments. I believe that the MAI should take that on board, as that proposal would have the support of the International Chamber of Commerce, which represents most multinationals across the world. My experience of UK multinationals—I declare my interest as a former manager for Unilever in Africa—is good. We would wish the House to ensure that the DTI, in its new spirit of working with UK multinationals, will perhaps take them on board in discussing how the MAI should be changed.

I shall pick up two points that are in the MAI, the first of which is about prohibiting the hiring of local personnel. One of the great successes of Unilever in the 1960s and 1970s was the movement to local personnel, so that people were not being flown in from the north, from Europe, with cultural standards and interests that did not reflect local concerns. I shall be very concerned if the final MAI has restrictions on the hiring of local personnel.

My second point is about prohibiting any restrictions in terms of local content in the manufacture of products. Again, it is very important that we support incipient industries and build up industries in the developing world. I commend the work of UK pension funds on investing. I suggest that the right hon. Member for Bromley and Chislehurst (Mr. Forth), who has now left the Chamber, remembers that a number of shareholders are members of the pension funds that I represent. I am concerned that he should understand that people today do not wish to see exploitation and environmental degradation as the basis on which they achieve a pension fund in the future. It is quite possible—the Methodist Church has shown this over the past 15 years—to achieve a high rate of return, which is important for future pensions, by ensuring that the social and environmental risks are dealt with and adjusting the investment to take account of that.

I ask my hon. Friend the Minister to place in the Library a copy of the MAI in its draft form, and further copies as new drafts come forward. Will my hon. Friend, or other Ministers, be able to report to the House regularly on the progress of the negotiations? Finally, I ask her to seek to move the whole negotiation away from the OECD to the United Nations to ensure that this is a UN agreement based on sustainable development and agenda 21.

10.34 am

Mr. Alan Simpson (Nottingham, South): I realise that we are running out of time, so I shall try to condense my remarks.

I do not support—and would not want to be associated in any way with—the sentiments that welcome the introduction of the multilateral agreement on investment. It is one of the most unprincipled and disgraceful documents that I have come across. I shall try to highlight the profound and threatening consequences that would follow from it.

The agreement is genuinely revolutionary in the sense that it would for the first time place the rights of companies above those of countries and the rights of shareholders above those of citizens. No reciprocal rights are built into the agreement. It would give companies the right to sue countries and shareholders the right to sue citizens, but not the reverse. A surrender of national sovereignty has been written into the agreement, which has truly frightening implications. It is a crooks charter of an agreement. I shall identify just four of the points that really alarm me.

One of the conditions written into the MAI is a charter for rogue employers. The MAI says that a country that joins cannot

"impose, enforce or maintain any of the following requirements, or enforce any commitment or undertaking in connection with the establishment, acquisition, expansion, management, operation, or conduct"

of a foreign investment.

What goes out of the window are obligations a country may impose that require local labour agreements, minimum wage agreements, technology transfer obligations, joint ventures such as those my hon. Friend the Member for Islington, North (Mr. Corbyn) mentioned, and all commitments to equal opportunities obligations that are incumbent on a foreign investor moving into a country.

The agreement also scuppers the basis for environmental constraints, because it is a polluters charter. It says:

"A contracting Party shall not expropriate or nationalize directly or indirectly an investment . . . or take any measure or measures having equivalent effect . . . except for a purpose which is in the public interest . . . accompanied by payment of prompt, adequate and effective compensation".

I should point out that an American company is already threatening to sue Canada for placing environmental constraints on its parent company, which produces a toxic chemical in Canada. The environmental constraints are seen as a form of indirect expropriation of shareholders' rights.

The panoply of environmental protection that has been built up around the world would be removed. Taiwan has restrictions on highly polluting industries. Colombia places restrictions on the processing and disposal of toxic or radioactive waste. The Philippines, Thailand, Malaysia, Indonesia and Venezuela place restrictions on banking, insurance and publishing or culturally sensitive industries. A panoply of nationally imposed restrictions on industrial investment would no longer be legal national rights of democratically elected Governments.

The agreement is also a speculators charter. Another clause says:

"Each contracting Party shall ensure that all payments relating to an investment in its territory of an investor of another Contracting Party may be freely transferred into and out of its territory without delay."

Hon. Members may recall the monetary crisis in Mexico, which was fuelled by the ability to move money out quickly. It appears that, under the MAI, such rights will be enshrined and made international in ways that are clearly not reciprocal.

Another part of the agreement makes it clear that any country that signs up must give five years' notice before coming out and will continue for 15 years to have legal obligations to the companies that have invested in it. Speculators can take their money out overnight, but countries cannot reclaim their right to national self-determination within what may turn out to be the truncated life of a generation.

The fourth part of my indictment of the agreement is that it is clearly an exploiters charter. It states that a country cannot impose sanctions or deny benefits

"because of investments an investor of another contracting party makes, owns or controls, directly or indirectly, in a third country".

What that really means is, "If you object to the use of slave labour elsewhere, tough. If you object to the use of child labour, hard luck. If you object to the use of convict labour by a corporation, hard luck again." No such considerations can be taken into account in the determination or imposition of constraints on the investment package.

That puts us on the spot, as a Labour Government picking up the strands of what was constructed by what could almost be described as a monetary fundamentalist Conservative Government. It would make a mockery of Labour's commitments to a principled, ethical framework for our foreign policy if we had to say, "You will get child labour under the Labour party. You will get slave labour under the Labour party. And you will get convict labour under the Labour party," because we had signed an agreement giving nations no ability to take action to exclude such investors and investments. That is the real threat, not just to the northern hemisphere but, massively, to the developing world.

When I was at school, kids used to say to each other, "Do you know what the second sign of madness is? Hairs on the palms of your hands." The unsuspecting would look at the palms of their hands, breathe a sigh of relief and ask, "What is the first sign?" They would be told, "Looking for them." Before this Government also go "nuts in MAI" on the agreement, we ought to acknowledge that our first sign of madness would be our being party to negotiation of such an agreement and that the second, ultimate, sign would be our signing up to it. I ask my hon. Friend the Minister to assure us that we will not sign the MAI before the House has had a chance to discuss the full agreement as it is offered and that we will not sign without the full ratification and approval of the House.

10.42 am

The Minister for Small Firms, Trade and Industry (Mrs. Barbara Roche): I congratulate my hon. Friend the Member for Bury, North (Mr. Chaytor) on choosing such an important subject. The debate is both timely and welcome—timely because the negotiations on the MAI will shortly reach a critical phase as we approach the target date for completion, April 1998, and welcome because it enables me, on behalf of the Government, to clarify the current position, to offer some reassurances and, I hope, to correct some misapprehensions about the agreement.

We have had a good debate and we have heard well-balanced speeches from my hon. Friends the Members for Rotherham (Mr. MacShane) and for Putney (Mr. Colman). My hon. Friends the Members for Islington, North (Mr. Corbyn) and for Nottingham, South (Mr. Simpson) expressed what I know to be genuine anxieties, which I hope to be able to allay.

The OECD has long been active in international investment flows and has had in place general rules to encourage member countries to maintain an open and non-discriminatory stance on inward investment. Those rules, however, are neither binding nor effectively enforceable. After prolonged discussion in the early 1990s, OECD Ministers decided unanimously to launch the negotiations, calling for an agreement that would provide a broad multilateral framework for international investment. Such an agreement would impose high standards for the liberalisation of investment regimes and for investment protection, along with effective dispute settlement procedures. It was to be a free-standing international treaty open to all OECD members and the European Communities that would allow accession by non-OECD countries, which would be consulted as the negotiations progressed.

The underlying objective of the agreement is to contribute to jobs, prosperity and—most important—sustainable development by facilitating as free as possible a flow of foreign direct investments across national boundaries. Freedom of movement for foreign investments, subject to the appropriate governmental controls—like freedom of trade under the world trade rules—has a big part to play in the global market system. It channels capital to where it can be used most effectively and can contribute most to economic growth. The economy of the United Kingdom, both as a host country and as a source of outward investment, has always been a major participant.

The key principle of the MAI will be a basic obligation to allow foreign investors to make investments on terms that are at least as favourable as those offered to domestic and other foreign investors. That should reassure my hon. Friends, because what it means is non-discriminatory behaviour. The agreement will also provide certain protections for foreign investors—for example, protection from expropriation without compensation. That is part of a non-discriminatory framework. It does not offer foreign companies or multinationals any additional protection that is not available to indigenous companies. Let me stress,

[Mrs. Barbara Roche]

in reply to my hon. Friends the Members for Islington, North and for Nottingham, South, that it does not mean—as some observers have suggested—that parties to the agreement will be prevented from regulating multinationals operating in their countries. It is merely that any regulation must not discriminate against foreign investors. The agreement will also provide for certain exceptions even to the non-discrimination rule. It is important to keep a sense of proportion.

The agreement does not prohibit the hiring of local labour; what it means is that Governments cannot insist on it, just as they may well not be able to insist on it for their own companies. It is the non-discrimination rule that is important.

The MAI will require its members to limit their freedom of action in some respects, but that self-denial will be quite restricted in scope. It will be the first binding multilateral investment agreement with provisions for dispute settlement, which will be an essential element in making the agreement effective. We do not expect that recourse to binding dispute settlement procedures will often be necessary, but the fact that the provisions are there will encourage signatories to take their obligations seriously.

The MAI will break new ground by providing both state-to-state and investor-to-state dispute settlements. That will enable disputes to be resolved without always raising the political considerations that inevitably arise in a state-to-state dispute settlement. We believe that that will significantly increase the effectiveness of the agreement.

In the time available to me, I should like to deal with some of the concerns expressed by hon. Members, one of which is that the MAI could shift the balance of power between smaller countries and large multinational companies considering where to locate their investments. The fear is that it would provoke a competitive spiral of deregulation designed to lure attractive projects. I understand that concern, and it would be foolish to say that there is nothing in it, but I doubt whether it will happen in practice. Evidence suggests that special exemptions from regulations are not effective in attracting investments. Predictability and transparency in regulation are far more important and we believe that this agreement will facilitate that.

I am well aware that a number of organisations and individuals, some of whom carry considerable weight and are well known to hon. Members, are concerned about the possible impact of the MAI on environmental and labour standards worldwide. I am also aware that some are concerned about the possibility of the MAI overriding obligations agreed in previously signed multilateral agreements. The new Government have made a clear commitment to safeguarding the international environment and to promoting sustainable development in both developing and industrialised countries. We would not sign an agreement that might damage those commitments. My hon. Friend the Member for Bury, North made an important point about possible legislation on environmental regulation. I reassure him that so long as environmental legislation is non-discriminatory it should be safe from the legal challenge that he described.

The Government—unlike their predecessors—have taken a strong line on these issues in the negotiations. In particular, we have called for an unambiguous reaffirmation of our commitment to the Rio declaration in the preamble. I am sure that that will be a source of some reassurance for my hon. Friend the Member for Putney, who rightly raised the matter. We want a clear reaffirmation in the MAI of the OECD "Guidelines for Multinational Enterprises". That important issue was raised by my hon. Friend the Member for Rotherham, who rightly referred to the 1976 date.

Those guidelines encourage multinationals to be good corporate citizens. We also want a strong and binding provision to prevent their lowering environmental or labour standards to attract investments. That issue was rightly raised by my hon. Friends the Members for Rotherham and for Islington, North, who referred to child labour. As he will know, the Government are firmly committed to ending abusive labour practices, including child and forced labour, worldwide. We are already pursuing that objective in the International Labour Organisation and in other international forums. We are also exploring how that work can be taken forward in the World Trade Organisation. I am sure that my hon. Friend will agree that our efforts are in marked contrast to the record of the Conservative party when it was in power.

In short, we are looking for clear language to ensure that there is no possibility of the MAI damaging progress towards better environmental protection and labour standards. We are also prepared to consider other proposals to tackle the problem. For example, we understand that some countries may see a role for a broad assessment of the impact of the MAI on the environment or on sustainable development across the world. Provided that we are sure that any such proposal will be effective and not just an additional bureaucratic burden, we will be willing to support it.

As my right hon. Friend the Prime Minister said, the Government do not want an MAI that could damage progress towards stronger national and international standards of environmental protection. Nor do we want an MAI that could threaten our commitment to sustainable development, core labour standards and the proper regulation of business. The Government would not support an MAI that was inimical to those objectives.

Mr. Corbyn: What discussions on the MAI have the Government had either with multinational corporations or through the OECD? What amendments are they tabling to it? When will they be brought before the House?

Mrs. Roche: Discussions are taking place. I shall today place in the House of Commons Library the report that was presented to Ministers on the progress of those discussions. I hope that that will provide some reassurance and some information.

Mr. Corbyn: I thank my hon. Friend for that and for giving way a second time on this point. I welcome the fact that that document will be placed in the Library, but will she ensure that, at an appropriate date, there will be a debate in Government time on the MAI and the amendments proposed to it? We should have such a debate before we move to the next stage and to an international agreement.

Mrs. Roche: I am unable to provide that assurance, but I can tell my hon. Friend that this matter will have to go through all the procedures of the House. It has already been considered by the Scrutiny Committees, and because of the European Community dimension of the negotiations it will inevitably go through all the scrutiny procedures of the House.

There have also been complaints, particularly from non-governmental organisations interested in the environment and international development, that the negotiations have been conducted in secrecy. The Government strongly support wider consultation with NGOs to hear their concerns and to learn from their experience. It was agreed in June to arrange a further meeting of MAI negotiators and NGO representatives in Paris in October. I can confirm that my own negotiators will attend that important meeting.

In the United Kingdom, officials from the Department of Trade and Industry and other interested Departments have met British NGOs on more than one occasion and will be holding another meeting in September in advance of the Paris meeting. Officials in my Department are looking forward to that meeting. Naturally, I cannot promise that we will support every suggestion that the NGOs may make, but I can make a commitment that we will listen to their ideas very carefully.

I have spoken about the parliamentary scrutiny process. I am glad that the House has had the opportunity today to debate the agreement. We welcome that. In accordance with standard procedure, the agreement will be available to Members of both Houses prior to ratification by the United Kingdom.

The MAI has its roots in the OECD. A great deal of effort has also been put into outreach events, looking towards countries that are not part of the process. We are playing a prominent role in that.

United Kingdom negotiators will be present at an event in Paris in September for a large number of OECD non-members and at a first event in Africa in the autumn to be hosted by the Egyptian Government. We hope that, as a result of all that activity, by the time the negotiations are completed, at least a handful of non-OECD countries may—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We now move to the debate on British fishing policy.

Fishing Policy

11 am

Mr. Andrew George (St. Ives): I decided to raise the subject of British fishing policy after 2002 because I strongly believe that it is time that debate on the fishing industry is refocused on the longer term. We need to raise our sights and give the Government every encouragement to set the agenda for the reform of the common fisheries policy.

I have a fishing background. I come from a fishing community. Members of my family and some of my friends work in the industry. It is both an industry and a way of life, in which my ancestors have been involved for many centuries. I hope that the product of the debate will be to ensure that it not only survives over the next difficult five years, but can look forward to a genuinely sustainable future beyond the review of the CFP and onwards for many centuries to come.

Before I explain what I believe to be the weaknesses and failures of the CFP and how the problems can be addressed, I want to describe the present state of the industry in my constituency. There is no more obvious a place to start than the port of Newlyn. Despite facing many setbacks and experiencing a reduction in local effort, each year Newlyn lands fish to the value of £23 million. It is bigger than any other port in Cornwall, England or Wales. It is fourth in the United Kingdom by overall catch value and 11th by volume. That illustrates the high-value, low-volume landing of the Newlyn fleet. Some 400 fishermen work from Newlyn, with a further 1,100 directly related onshore jobs.

Fishing is a vital component of the local economy. There are 110 beam trawlers, otter trawlers, netters, potters and liners, so 80 per cent. of the landings are exported as whole fish or live shellfish. However, people often concentrate on the offshore fleet and fail to recognise the importance of inshore boats. As against the 110 offshore boats at Newlyn, there are almost 400 small inshore craft in the many coves and ports around the coast of Cornwall and on the Isles of Scilly. As against the 400 fishermen of Newlyn, at least 700 people earn their living from inshore fishing. About 3,000 more are engaged in ancillary trades. Most of that trade is environmentally friendly and is unquestionably sustainable.

One month ago, David Chapple—a quiet, modest man, deeply respected by all who knew him—died at the young age of 68. He had to leave the local grammar school in Penzance at the age of 14, despite a promising academic future, because of the untimely death of his father—a mackerel handliner—and work the coast from Penberth. He was acknowledged as the leader of and spokesman for the mackerel handline fleet. He was also a member of the Cornish sea fisheries committee for more than 30 years. It is in honour of his memory that I ask the Government not to overlook the importance of retaining a viable inshore fishery.

Many of the inshore fishing methods are referred to as the lowest tier of fishing practice. In fact, gauged by the degree of sustainability of those methods, they are really the highest tier. In Cornwall, there are mackerel handliners, the Fal oyster fishery, crabbers, pilchard drifters and many others. The least we should do is protect the future of traditional fishing, which is of no threat to stocks.

[Mr. Andrew George]

I recognise that the new Government have been handed a poisoned chalice in most areas. However, it is no good looking back. It remains the intention of the Liberal Democrats to maintain a constructive dialogue with Ministers, within the development of our theme of constructive opposition.

One purpose of couching the debate in the way that I did is to override a worrying trend to hijack this important issue. During recent years, some have appeared happy to take advantage of the genuine fears of our fishing communities. I, like many others—no doubt including the Minister—was deeply saddened to see a few people use our fishermen and fishing communities as their front-line troops for their disturbing and xenophobic agenda—an agenda that had nothing to do with the genuine interests of our fishermen. Quite frankly, those people could not care less about fishing. The future of our industry is very important. I urge the Government to use the opportunity of the UK's forthcoming presidency of the European Union to set the agenda for the reform of the CFP.

Mr. Alex Salmond (Banff and Buchan): I agree with the hon. Gentleman about a certain tendency among some hon. Members. However, looking around the Benches today it is evident that that tendency is on the wane. It boils down to just the hon. Member for Ludlow (Mr. Gill).

Mr. George: It would be beneath me to comment on that.

I hope that we can establish a consensual debate to promote a sensible, realistic and, above all, sustainable policy for the fishing industry. The consensus must begin with the unanimous agreement that the CFP has been a failure and desperately needs early reform. That process will be greatly assisted if we all speak with one voice.

The CFP does little to prevent quota hoppers. It joins together two principles that clash fundamentally—first, the right of establishment enshrined in the single market, and secondly, relative stability that enables us to calculate each member's share of fish stocks. There is a desperate need to reconcile national quotas with the interests of the beneficial owners of the fishing fleet.

The structural policy of reducing the fishing fleet has had only limited success and can be said to have directly encouraged quota hopping. That is in part due to the lack of an adequate decommissioning scheme. Foreign boat owners have been able to meet their reduction targets by transferring their boats to other member states.

Mr. Paul Tyler (North Cornwall): Does my hon. Friend agree that one reason why both the decommissioning scheme and the structural support for the modernisation of the fleet have been such a disaster in Britain, and far less effective than in our competitor countries within the EU, is the very late process of decision making by the previous Government? The Conservative regime simply did not take the issues—or, indeed, the industry—seriously.

Mr. George: My hon. Friend rightly reminds us that we are left with historical difficulties. However, I want the debate to look to the future. Although it is appropriate to dwell a little on the reasons why we are in such a parlous position, we must do our utmost to look forward.

The common fisheries policy has not been able to prevent the severe depletion of a number of fish stocks. There are fears that, in the foreseeable future, we could face problems similar to those experienced by the Canadians in the once-prosperous grand banks. The CFP has been highly wasteful. It is estimated that, in some cases, as much as 40 per cent. of a catch is discarded, which can only encourage fishermen to become law breakers. Enforcement is not even and penalties can vary widely. Also, the scientific data used to determine total allowable catches and quotas do not have the confidence of the industry.

The decommissioning schemes, which aimed to rid the industry of any excess capacity, have proved unsatisfactory. Fleets have been reduced unevenly and not in the areas where a reduction in the fleet would have been beneficial. The system is bureaucratic and paperwork is excessive. Moreover, no other industry has its annual level of production decided one week ahead of the beginning of each year. It gets worse as there is no form of appeal either. Above all, fishermen feel that they have little ownership of the management systems.

In comparison with alternative proposals for a more decentralised system, the CFP is notoriously inflexible and painfully slow to respond to areas of need or of opportunity.

Mr. Matthew Taylor (Truro and St. Austell): My hon. Friend has just touched on the key issue, which is the ownership by fishermen of the conservation measures. Unless they feel that they are working towards effective fish conservation, so that the next generation, or even the fishermen themselves for a year or two, can continue in the industry, the race to catch fish first and to make a fast profit is bound to dominate. Even if it does not dominate, for example, in our area of Cornwall, others will come in and make use of it. It is not easy to create such local ownership, but that is the key to a solution.

Mr. George: I thank my hon. Friend for that intervention. I will draw attention to the need to change the way in which the fishing industry is managed. We need to bring fishermen more centrally into the management of the industry and they should take responsibility for the management of their stocks.

Having outlined the problems with the CFP, it is now vital that we consider some of the alternatives and solutions to what will otherwise become a catastrophe for the industry in general. We all agree that the CFP in its present form should be scrapped. We cannot afford any longer to fudge the issue. The fishermen do not like the CFP because it fails to secure their industry's future. Fish do not like it because it threatens their very survival. Euro-sceptics do not like it because it emanates from Europe, and Europhiles do not like it because it gives Europe a bad name.

The previous Government did not like the CFP because it posed problems that they were either unable or unwilling to tackle. If the present Government do not take decisive action soon in setting the agenda, we will have missed the boat in influencing CFP reform. We now have an opportunity to put forward our arguments to the European Commission's task force, which has been set up to examine CFP reform in preparation for 2002.

When we examine the way ahead for the fishing industry, one principle above all others should provide the basis for achieving the aim of creating a properly

sustainable industry: as my hon. Friend the Member for Truro and St. Austell (Mr. Taylor) has pointed out, that is the principle of empowering the fishermen themselves. Liberal Democrat spokesmen have long proposed to replace the CFP with a policy based on regionalisation, thus decentralising power away from politicians and empowering skippers with the responsibility of managing the fish stocks for themselves. Regionalisation would allow fish stocks to be managed around their own boundaries. It would also give fishermen, both in the UK and abroad, the opportunity to take control of their industry and to work together with skippers from an individual fishery and with fish scientists to consider ways of ensuring that fishing remains environmentally and economically viable. Regionalisation would allow all interested parties such as fish producers, scientists, port authorities, regional public authorities and enforcement authorities to come together and to co-ordinate a regional policy into which they would all have input and for which they would all have responsibility.

By regional, I mean that we need to consider the relative merits of natural regions such as the North, Celtic and Baltic seas, where boundaries coincide with the general range of a particular stock and coastal state management as favoured by the National Federation of Fishermen's Organisations, operating up to the median line. The crucial point is that such semi-autonomous regions should be given the power and flexibility to determine the management systems best suited to their needs. That may include proposals in some regions for a restriction on days at sea, the use of a variety of technical conservation methods around net sizes and variations in their design, controls on fishing around spawning grounds or seasonal closures of spawning grounds or many other methods that have been debated.

The important point is that that should be decided by the real stakeholders in the industry—the fishermen—and not by politicians behind closed doors. The bottom line for me in all this is the reality that, with power, comes responsibility and if we give power to fishermen and the industry, and if they fail to protect their own stock effectively, it will be their responsibility. Conversely, if they succeed in reviving their stocks, as I am determined that they shall and as Norway has done, they should be allowed to share in the benefits of that in a sustainable way.

A crucial factor in all this is proper regulation, inspection and policing. I was very impressed by a recent discussion document from the NFFO, recommending the use of permanent and temporary closed areas. The Government would do well to consider that and to couple it with improved monitoring techniques such as satellite surveillance. It may be that, where some European nations are concerned about the ability of other European nations properly to police their stock, the Government might consider proposals for a strengthened policing role for the European Commission itself.

In addition, I urge the Government not to ignore the importance of the inshore dimension. It is vital that the Government seek to protect the industry by protecting the 12 and six-mile limits and by strengthening the role of sea fisheries committees. In my discussions with local fishermen, there is strong support for the protection of those limits.

Finally, I draw the House's attention to an aspect of EU fisheries policy that has received little debate here—its impact on the sustainable fishery of developing countries. In many developing countries, just as traditionally in Cornwall, it is widely recognised that fishing is one of the few resources available to the poor. In Senegal, for example, fishing employs 250,000 people, 17 per cent. of the Senegalese population and fish provides 60 per cent. of local protein intake. In March, contrary to the demands of Senegalese fishermen, the EU was granted access to fish in Senegal's coastal waters. My concern is about overfishing and the possible ruin of local economies. Surely it is time that we worked to secure some coherence between EU fishing policy and the development policies of the new Government Department of International Development.

We should be working to help to build and maintain sustainable fishing in developing countries, not plundering their stock. I therefore ask the Minister to ensure that, in the CFP review, we take a responsible approach to that matter and press for a code of conduct to avoid irresponsible actions.

Many of those who come down to Cornwall from other parts of England and elsewhere and who might idly watch our boats set sail would be staggered by the legal and political complexities, the regulation and the pressure on the people engaged in what should be a straightforward occupation. Those visitors might begin to understand that there is a whole new language of TACs, MAGPs—multi-annual guidance programmes—quotas, PESCAs and so on, but, frankly, there should be no need to learn that new language because we all know what the fishermen know very well: politics is about not just interpreting policies and treaties, but priorities.

If our fishing industry is to have any future at all, it is time that it was given sufficient priority. That means being prepared to set the agenda, to use the UK presidency to give fishing priority at the next intergovernmental conference, and to ensure that the review for 2002 will provide for a sustainable industry. If we all fail in this Parliament to ensure that we give the fishing industry a future, there will be precious little fishing industry to debate in the next one.

11.19 am

Mrs. Joan Humble (Blackpool, North and Fleetwood): I am very pleased to take part in this debate, which I hope will be constructive. I am sure that no one in the Chamber would disagree with the proposition that what we all want is a viable fishing industry for the future. A debate about how we will approach the review of the common fisheries policy is therefore important to us all.

The remarks made by the hon. Member for St. Ives (Mr. George) about his constituency also apply to Fleetwood. Those who recall Fleetwood 20 years ago tell me that boats filled the entire harbour so that one could walk across it from boat to boat. Now, the boats are not there and the fleet has shrunk and shrunk. Nevertheless, the fishing industry is very important to the town. Almost 1,000 people are employed not just on the boats but in the auction market and processing plants. I am pleased that, in debates in Fleetwood and elsewhere in the country, all the disparate groups in the industry are working together—perhaps for the first time, since they do not all share the same agenda. If they do not work together, the fishing industry will indeed disappear.

[Mrs. Joan Humble]

I agree with many of the remarks by the hon. Member for St. Ives about the future. Clearly, we need proper regulation. Modern technology allows us to consider such things as satellite monitoring. We need to explore all possible avenues to ensure that fishing is properly regulated and monitored. The basis of any new fishing strategy and of the CFP has to be conservation. Without fish, the fishing fleets have no catch and the auction market has no fish to sell. We need to consider a conservation strategy that, on one hand, preserves our fish stocks, and on the other, provides opportunity for the future.

From speaking to fishermen in Fleetwood, I know that they are very anxious to get involved in debates on conservation because they realise that saving this year means having more fish to catch next year. They are considering new and imaginative strategies to ensure that fish stock is conserved and that they have a future.

Fishermen are also concerned about support for modernisation of the fleet, to which the hon. Member for St. Ives also referred. The previous Government withdrew grants for shelter decks, which many of my fishermen say are vital improvements to their boats that enable them to remain at sea for longer and catch more fish. We need to look at grants to help fishermen to improve their vessels to enable them to engage in the industry.

On the suggestion of a regional strategy, the local fishing forum in Fleetwood has worked with Wyre borough council on exactly such a strategy, which seems to have widespread support. Although there are differences of view on how it should be organised and implemented, I hope that the idea will be considered in more detail.

I compliment my hon. Friend the Parliamentary Secretary on what the Government have already achieved in their debates in Europe. For the first time, our Government have come back with some positive ideas on fishing, offering positive leadership and a way forward. With that positive leadership, I am sure that the Government will grasp the vital opportunity to ensure that our fishing industry will be preserved and viable in future. I hope that we can all work together and support the Government in that initiative.

11.23 am

Mr. Christopher Gill (Ludlow): The hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) said that having a viable fishing fleet for the future was very important. As a former naval person, I entirely agree. Indeed, as a former naval person, I am reminded of the political, industrial, social, commercial, environmental and—not least—strategic importance of a strong and vibrant fishing fleet. It might assist right hon. and hon. Members to remember those six points by thinking of the word pisces. All those dimensions are represented in the fishing industry.

I congratulate the hon. Member for St. Ives (Mr. George) on two counts: first, on obtaining this important debate, and secondly, on highlighting the significance and importance of 2002. In what was otherwise an excellent speech, he fell into the trap into which so many politicians fall of thinking that the common fisheries policy can be reformed—although he went on to say that it should be scrapped. He enumerated a number of problems associated with the CFP, of which those of us who have followed these debates for several years are all too well aware. The great danger in these debates is that we all engage in platitudes. Of course it is important to conserve fish stocks; of course it is important to have a vibrant fishing industry, and so on. But, one has to consider the fundamental structure of the CFP.

Some hon. Members present will remember that, when we debated these matters on 9 July—just a fortnight ago—the Parliamentary Secretary said that I had been entirely consistent on the subject.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): Yes, consistently wrong.

Mr. Gill: I was just about to make that point. The hon. Gentleman indeed went on to say that I had been consistently wrong. I want to debate that very point with him because he must demonstrate in this debate why I am wrong. It is simply not satisfactory to sit on the Government Front Bench and say that an hon. Gentleman is wrong without producing a single shred of evidence of why he is wrong. I shall be inviting the Parliamentary Secretary later in my speech to address two or three specific questions and to give the House answers to them. If he can answer those specific questions satisfactorily, he will be going some way to demonstrating that I am wrong, but in the meantime, I shall remind him of what I have been consistent about.

I have been consistent in saying that the fundamental tenet of the CFP is equal access to the common resource. I have also been consistent throughout the debates in pointing out that all the derogations that benefit the British fishing industry expire on 31 December 2002. It of course follows that the system of relative stability that we currently enjoy will end on that date. Thereafter, regulation 101/76 applies, just as it did for 26 days in January 1983, when, as the Parliamentary Secretary will no doubt recall, Kent Kirk was arrested for fishing inside British territorial waters. There will be more of that in a moment.

The Parliamentary Secretary says that I have been consistently wrong. I am not consistently wrong unless and until he produces proof or evidence to back up the allegation. The questions that I want him to answer this morning are as follows. Does he categorically deny that the principle of equal access exists? He looks puzzled, as though he has not understood the question. I shall repeat it.

Mr. Morley *indicated dissent.*

Mr. Gill: Right. My second question is: if the hon. Gentleman denies that the principle of equal access exists, will he explain why his opinion is superior to the judgment of the European Court in the Kent Kirk case, which as he will appreciate, established a precedent in these matters? Thirdly—if he says that equal access will not apply after 2002—how will the non-discrimination conditions in article 2 of regulation 101/76 be satisfied?

The Minister must answer those three straightforward questions, and he will have to do so satisfactorily before he repeats his allegations that I am wrong. If he cannot answer them, the House will draw its own conclusions.

I have no wish to embarrass the Minister by demanding an apology for his allegations, but I want him to address the real issues and to divine the truth of the matter.

I well understand the dilemma in which the Minister and his predecessors have found themselves. I suspect that he dare not concede that, after 2002, regulation 101/76 will occupy the field. If he concedes that, after 2002, the regulation will occupy the field, the pretence that we can perpetuate the discriminatory relative stability that has existed since 1983 will be seen for what it is—a deception and device by which he and his predecessors have tried to postpone the inevitable day of reckoning, when, on 1 January 2003, the principle of non-discrimination is fully implemented.

What happens after 2002 will be crucial. We have to look beyond such immediate problems and short-term distractions as quota hoppers and relative stability based on 1983 percentage quota share-out. If the Minister is to retain any semblance of credibility, he will have to tell us what written guarantee or legal evidence there is to show that relative stability will be secure beyond 2002.

Unless the Minister can answer that question positively and convincingly, the House and everyone employed in the fishing industry will have to realise, before it is too late, the truth in the statement that

"there is no legal text stating the perpetuity of the principle of relative stability."

Those are not my words but the words of Monsieur Laurec, the acting director-general of Directorate-General XIV, in a letter of 27 January 1997.

In his reply to this debate, I trust that the Minister will recognise the strength of the arguments that I have advanced and—rather than simply dismissing my arguments by asserting that I am wrong—answer the specific questions that I have asked, thereby enabling us to have a sensible and informed debate on a vital national interest.

11.32 am

Mr. Alex Salmond (Banff and Buchan): I congratulate the hon. Member for St. Ives (Mr. George) on securing today's debate. Two weeks ago, he was unfortunate in not being able to speak in our debate on the fishing fleet. Today, however, he has more than made up for that lost opportunity by making an excellent speech on the industry. I shall not repeat my speech of two weeks ago, although—like the hon. Member for Ludlow (Mr. Gill)—I might continue one of the arguments made in that debate. I should like to refer the Minister to some current practical difficulties in the industry, which apply particularly in Scotland, but perhaps also elsewhere.

First, I should like to deal with the pelagic fleet, fishing for herring and mackerel. Since the start of the pelagic season, enforcement regulations have required pelagic boats to have on board only one licence, for either the east or the west coast. The boats must therefore make a 10-hour trip to west coast ports, for example, to obtain a west coast fishing licence. The regulations' inconvenience has been aggravated when boats have arrived, after a 10-hour trip, only to discover that a port's fisheries office is closed.

Such regulations do not apply to our immediate competitors. The Dutch pelagic fleet, for example, may hold various licences on its fishing boats. The Minister may give the House reasons for maintaining such enforcement regulations, but it does no one any good to require fishermen to make unnecessary fishing trips, at considerable time and expense. Moreover, although the fishing boats are large, any fishing trip—as the Minister knows—has an element of danger.

Surely there is a way in which to enforce the regulations, which is better than requiring boats to steam for 10 hours one way round Scotland and then 10 hours back again to their home ports, simply so that fishermen can pursue their livelihood. It seems to be a curious way in which to enforce fishing regulations, and I hope that the Minister will undertake to examine the matter sympathetically.

The current situation is not terrible. Certainly, the Minister should recollect the guarantees that he and I requested from the previous Government, that the regulations enforced on our industry would be comparable with those enforced on our competitors across Europe. Pelagic boats in Scotland have not benefited from comparable treatment. I ask the Minister to address the issue and perhaps to propose an appropriate solution.

The second matter that I should like to deal with perhaps continues an argument—although not in the same manner—made by the hon. Member for Ludlow. How confident is the Minister that the principle of relative stability can be altered only by the unanimous agreement of member states? Some reassurance has been provided both in the letter from the President of the Commission to the Prime Minister and also in a recent ruling by the European Parliament's legal committee. Does the Minister not, however, anticipate a danger in the Commission's current proposal, which seemingly creates a new legal basis for the Council to take decisions by majority voting, on specifically technical and other measures that are linked to International Fisheries Commission agreements? The proposal seems also to be part of the process of determining quotas and total allowable catches.

Does not the Minister anticipate that, if the proposal is accepted, there is a danger of it being expanded to encompass essential elements of relative stability? I ask him to examine the matter, even if he cannot deal with it in his reply to the debate. I think that the hon. Member for Ludlow would be the first to acknowledge that his enthusiasm for pursuing the policy is not shared—as demonstrated by their voting behaviour and the points that they have raised—by his colleagues in the European Parliament. The Socialist Group in the European Parliament seems to have been influenced inordinately in making some of its decisions by the Spanish component. I and some European parliamentarians anticipate a danger that an apparently innocent Commission proposal could be stretched wide enough to place the concept of relative stability in the sphere of majority voting rather than unanimous consent.

The third matter that I should like to mention is a serious one for the Minister, and follows directly from our debate of two weeks ago. As many hon. Members wanted to speak in that debate and the Minister had very little time to reply to it, he undertook to write to me on the issues raised.

Towards the end of that debate, the Minister was asked specifically whether he would adopt a stance of not proceeding with capacity reductions until such time as he

[Mr. Alex Salmond]

was satisfied that assurances given on quota hoppers had had some effect in reducing the participation of those boats in the United Kingdom fleet. The Minister argued that he did not think that it was a sensible policy not to pursue the multi-annual guidance programme targets because of the ramifications for grants and other help to the industry.

Although I appreciate the Minister's argument, does he not also realise that—despite the comments of the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble)—the fishing industry's assessment of the Government's achievements in Amsterdam can best be described as sceptical? The jury is still out on the matter—if it is not positively hostile—and the industry is fairly cynical about the Government's claims.

In an atmosphere of considerable debate about whether the Government's exchanges of letters, measures and assurances will be sufficient to deal with the quota-hopping problem, does the Minister not think that it is foolhardy to pursue capacity reductions before he is personally satisfied that those measures and new regulations will have the desired effect of pushing out some if not all of that quota-hopping capacity?

Mr. Morley: I shall deal with that point now, so that it does not get lost later. The hon. Gentleman did not mention the important principle that we have a legal obligation to meet the requirements of multi-annual guidance programme IV. Apart from the legal obligation, we wish to ensure that the economic link works, and we shall consult the industry on that point. The hon. Gentleman mentioned the real issues of sustainability and stock management, and we cannot ignore those in relation to the MAGP IV proposals.

Mr. Salmond: The industry does face real issues of stock management and capacity, but the previous Government assured the industry that they would not proceed with the capacity reductions until the quota-hopping difficulty was solved, precisely because of the fear of large capacity reductions in the domestic fleet, but none in the quota-hopping fleet.

Mr. Morley *indicated dissent.*

Mr. Salmond: That is a reasonable fear in the industry. If the Minister does not acknowledge that, his contacts in government with the fishing organisations are not as close as they were when he was in opposition.

Mr. Morley: I must emphasise the point that the quota-hopping fleet is made up of UK-flagged vessels that come under UK regulations. They will be treated in the same way as any UK vessel. Indeed, as the MAGP IV reductions are on a segment basis and some of the big reductions are in the beam trawl sector, which contains many quota hoppers, they will take their share of the reductions. There will be no exemptions.

Mr. Salmond: The fear in the industry, as the Minister knows, is based on the fact that the quota hoppers' financial condition is somewhat better than that of many other elements of the domestic fleet. Therefore, however the Minister approaches the reductions—whether by effort limitation, by a further reduction in total allowable catches, or through a voluntary decommissioning scheme—it is likely that more people in the domestic fleet will be forced to the wall than in the quota-hopping fleet. The industry's reasonable fear is that the capacity reductions could increase the quota hoppers' 25 per cent. share—which, I know, is not uniform across the various categories in the industry—by a rapid shrinkage in the domestic fleet and only a modest shrinkage in the quota-hopping fleet.

I understand the Minister's position: I hope that he understands the industry's concern. I understand that he wants to achieve the agreement in the exchange of letters in Amsterdam, but he must acknowledge that there is much scepticism about whether that understanding will be enough to make a substantial difference. Is the Minister sensitive to that concern? What assurances can he give about monitoring the progress of the attempt to solve the quota-hopping problem? Does he understand that merely to say that the MAGP targets are necessary for various reasons, without being sensitive to the industry's concern, may result in the quota-hopping percentage increasing radically as a result of dramatic shrinkage in the domestic fleet? None of us wants to see that.

11.43 am

Mr. Austin Mitchell (Great Grimsby): I apologise to the House and to the hon. Member for St. Ives (Mr. George), who was successful in obtaining this important debate, for not being here at the start. I was unfortunately detained in what one might call the bowels of the House, watching the debate through the periscope. It is interesting to come from a subterranean position to debate something even more subterranean—the common fisheries policy and the monstrous situation that it imposes on British fishing. I shall speak only briefly, and I am grateful for the opportunity to do so.

The hon. Member for Ludlow (Mr. Gill) vividly described the common fisheries policy, and it is certainly a monstrosity. It is not good enough to say, as the Labour party manifesto did, that the policy needs drastic reform, because it needs ending. A system that takes political decisions, doling out paper fish and limiting catches by quota, cannot work. It is the enemy of conservation, because it puts fishermen in direct competition with each other. There is no point in the British industry conserving fish and introducing more effective conservation measures, because the fish that are saved by the British fishing industry will be scooped up by European competitors. *[Interruption.]* My speeches usually attract a lot of attention. I was not heckled during the election, because nobody turned up at my election meetings, so it is nice to have it happen in a new format.

As long as competition is the ethos behind the policy and fishermen are in competition with each other, conservation is not possible. The CFP, although meant to conserve, is therefore the enemy of conservation. It is not working, it cannot be made to work and it should be ended.

Mr. Gill: The hon. Gentleman is right to point out that the only effective way to deal with many of fishing's problems is to end the CFP, but that is not the popular view. That does not mean to say that those of us who

represent the minority view are not right, but the popular view is that the CFP needs reform. We should ask the reformers how they will reform it. How will the reformers achieve unanimity, or a qualified majority vote, on any of the issues?

Mr. Mitchell: I would not describe the hon. Gentleman's position, or indeed mine, as a minority position. It is the position of the overwhelming majority of the fishing industry, certainly in England, if not in Scotland. Everywhere I have been to talk to fishermen, they have expressed a hatred for the CFP and a desire to leave it. We now have a benign Government with a more sensible approach to Europe, but if I were in charge of policy, we would come out of the CFP. That is legally possible, and the arguments that we could not come out do not stand up. We could do it, we should do it and, if I were in power, we would do it. However, in the current, practical situation, I recognise that no Government, Labour or Conservative, will do it.

The right hon. Member for Skipton and Ripon (Mr. Curry) is smiling, but the previous Government were more grovellingly sycophantic and servile towards Europe than the Labour Government will be. Every time the previous Government demanded something for the British fishing industry and a sine qua non was reached in the negotiations, the Tory Minister was required to climb down because the Government were in conflict with Europe on another front. In order to win on the other front, the fishing demands were abandoned or diluted.

This Government will not come out of the CFP, but we are in the same position as Sisyphus—rolling a stone up a hill, only to have it slip back again. If we are not to support withdrawal as a strategy, we must have a clear alternative strategy for fishing policy in the new century. It is no good the Government saying that they will reform the CFP, because they have to be committed to a strategy that will get the British fishing industry what it needs. If we are not going to adopt what might be called the extremist approach of withdrawal, we should remember that the ability to do so is available to strengthen us in the negotiations. We should know that we could withdraw and, if we do not get concessions that would make the British fishing industry viable, we should do so.

What strategy should that be? I know that my hon. Friend the Minister is interested in the coastal state management proposals of the National Federation of Fishermen's Organisations, and I hope that he will attach himself to them. We should aim at those proposals, because they seem to be the most effective way of approaching the problem, offering a viable system of management for the changes necessary in 2002.

I agree with the argument put forward by the hon. Member for Ludlow and Save Britain's Fish about there being an intention to create a European fleet and end national effort. Alternatives to that are needed, because no British Government would accept such a proposal. The alternative has to be coastal state management, because it is the only practical proposition.

My hon. Friend the Minister attaches a lot of weight to relative stability, which is becoming the fig leaf of Governments. I doubt that it can be maintained. It was not maintained for the Spanish accession. We talked of relative stability, but British effort was cut, particularly in the south-west, to make way for Spanish vessels. The same will happen when the big fishing fleets of eastern Europe come in. Room will have to be made for them. It will be very difficult to maintain relative stability.

It is no use just being attached to relative stability. We need alternative management proposals. The coastal state management strategy provides an alternative.

Mr. Salmond: I agree with a great deal of what the hon. Gentleman is saying, particularly about coastal management. I know that he has read the Scottish National party's documents on that. If relative stability is not an important factor, guaranteeing protection for domestic fishermen, why are the Spanish fishing interests so concerned to overturn it?

Mr. Mitchell: I agree. That causes me to doubt what I am saying about relative stability, but I still think that I am right that it will not be a viable defence against changes. I have read with pleasure the SNP fishing documents. I am always amused by how such a passionately pro-European party can suddenly become so hostile to one of the three central common European policies—the common agricultural policy, the common fisheries policy and the common currency. Now that the SNP has stood on its head and abandoned its opposition to Europe to become Euro-sycophantic, it is nice to see touches of the old nationalism coming out in the party's approach to fishing.

Mr. Salmond *rose—*

Mr. Mitchell: I am sorry to have provoked the hon. Gentleman to come back on that.

Mr. Salmond: The hon. Gentleman is showing his age. It is more than a decade since the SNP re-oriented its approach to the broader European question. He cannot expect our sympathy and support for the European position to mean that we abide unquestioningly by every European policy. Every pro-European, of whom there are several on these Benches, reserves the right to criticise a policy if it is manifestly wrong, as the common fisheries policy most certainly is.

Mr. Mitchell: I agree. I should not have teased the hon. Gentleman. I have a long memory. I particularly remember the Liberal position when I was standing in a by-election in Grimsby. While the Liberal candidate was telling us that we had to work with Europe, in the middle of the by-election campaign the right hon. Member for Berwick-upon-Tweed (Mr. Beith) introduced a Bill to take control of Britain's 50-mile limit. People are curiously ambivalent on European issues such as the common fisheries policy—and so they should be. We have to stand up for our rights.

I was extolling the virtues of coastal state management, which we must aim at and move forward to. The central principle is destructive of the CFP—only the nation state has an interest in conserving its fish stocks and building up and protecting its fishing industry. For everybody else, our fish are a disposable resource to be looted and pillaged at will before sailing on somewhere else. For us, they represent the future of our fishing communities, our fishing families and our fishing industry. The nation state has the central interest. The only effective way to control

[Mr. Mitchell]

the situation is a system of management that allows us nationally to impose mesh size and one-net rules and to close grounds.

Mr. Tyler: I am grateful to the hon. Gentleman for letting me intervene briefly. It saves me making a speech in a minute. The nation state is not the only vehicle for such management. As my hon. Friend the Member for St. Ives (Mr. George), whom I congratulate on introducing the debate, made clear in his speech—for which, I am afraid, the hon. Gentleman was not present—it is possible on a regional basis, within the nation state, to ensure that fishermen have a direct stake in the conservation of the fish stocks on which they depend. That is a major issue of principle. The National Federation of Fishermen's Organisations and the Liberal Democrats have argued for many years for more local control, so that people have a sense of possession over the policies that will affect their livelihood. I do not want the hon. Gentleman to think that the nation state is the only vehicle by which that can be achieved.

Mr. Mitchell: I was not saying that. I am grateful for that intervention, which allows me to make myself clear. I agree that there should be regional management within national coastal state management. I was positing the argument for coastal state management against the common fisheries policy, which is a policy of no effective management, because there are no uniform rules—there is no control at the port of landing, as there is in this country—and it is difficult to enforce the rules. Regional management is important within coastal state management.

Mr. Gill: Does the hon. Gentleman accept that a wonderful precedent has already been established in the Falkland Islands? The Government declared a 200-mile exclusive fishing zone. They determine who shall fish in their waters. Those who do so pay for the privilege. They are told what they can catch and know that they have to cease fishing when they have caught up to the limit of their permit. That is a good precedent for the way in which we might manage our fisheries.

Mr. Mitchell: It could be done like that. The Fishery Limits Act 1976 disallows that power. We exempt European vessels. If we had that control, it would be possible to manage access and the fishing that could go on in our waters.

I was not going to give a long speech. I am sorry that I have spoken for so long. I want to make a couple more points. Coastal state management is the way forward. The Government should argue for it in the renegotiation. The industry also needs investment, because it is in a financial crisis. People argue that British skippers should not sell quota to quota hoppers, but they are forced to do so by dire financial necessity. Why are they in that financial situation? Because they have not had the same access to European funding that competitors have had. Fulfilling their targets by reflagging vessels as British, the Spanish have achieved the MAGP targets and have access to European funding.

The cuts required under MAGP III are, I understand, less than the 20 per cent. that we thought at the end of 1995. Apparently, those cuts are now marginal. I hope that we can get access to European funding, which the industry needs. It needs financial confidence. If we cannot get access to that funding, there has to be a national alternative. The money must come into the industry.

We are faced with a similar situation under MAGP IV, which will require more substantial cuts. I hope that those cuts will not be combined with a days at sea limitation of the kind that we all fought strenuously when it was proposed by the right hon. Member for Skipton and Ripon when he was a Fisheries Minister. His attempt to impose that monstrosity brought the industry out in revolt to destroy the proposal. However, there must be some element not of set-aside, but of net-aside financing—not proposed by the right hon. Member for Skipton and Ripon in his legislation—for the limitation of effort, and financing for decommissioning. National money is needed for that.

I hope that my hon. Friend the Minister accepts that he will have a fight either in Europe, to get a better deal and access to funding, or in Government councils, to provide a national alternative. From talking to my hon. Friend, I have more than just a hope that we shall commit ourselves to the vital principle of coastal state management, which is probably as near as we shall get to the national state management of our waters that we should have.

11.59 am

Ms Candy Atherton (Falmouth and Camborne): I, too, thank the hon. Member for St. Ives (Mr. George) for his constructive speech, which helps all of us in our fight for Cornwall. I should like to draw the Parliamentary Secretary's attention to a problem that particularly affects my fishermen in Falmouth and Penryn. They are concerned about the size of dredging equipment because the over-large size currently used damages the environment; I think that the Government will agree with that.

Unfortunately, there is a logjam, which means that measures to reduce the size of the equipment seem to have been caught up in the nets of Government legislation and various Departments. I should be grateful if my hon. Friend the Parliamentary Secretary would investigate the problem, as it is seriously worrying my fishermen. I hope that he will seek to solve the problem.

12 noon

Mr. David Curry (Skipton and Ripon): I should like to draw to the Parliamentary Secretary's attention a matter that has just been drawn to mine. Apparently, the Government have just decided to accede to the United Nations convention on the law of the sea and relinquish the Rockall fisheries zone. I should be grateful for the Parliamentary Secretary's clarification, because I received a fax this morning from the National Federation of Fishermen's Organisations, which has not been consulted—I do not suppose anybody else has. Given the Government's widely proclaimed intention of running an open system, this seems slightly curious. It would be helpful to all of us if the Parliamentary Secretary could clarify the position, either in this debate or shortly afterwards.

The hon. Member for St. Ives (Mr. George) succeeds in his constituency somebody who took a powerful and informed interest in fisheries, and I am glad that he intends to do the same. His proposals for regionalisation

have attractions, but there are many unanswered questions as well. I thought that he was hinting at some sort of multinational regional concept when he talked about North sea communities. As he knows, our fisheries are mixed fisheries with historical rights of access. Is he envisaging that the communities around the North sea will form one of those regional communities? That might be most obvious around the Irish sea. Is he envisaging that control will be exercised by groups belonging to different member states? There is also the channel, with historical rights on both the English and the French sides. The hon. Gentleman needs to define what he means by regionalisation.

The enforcement problems will be difficult if there is a series of immensely heterogeneous fisheries with immensely heterogeneous rules which are imposed by local communities. How does that deal with historical rights? How does it deal with people who are not based in that part of the world but who fish there and have long-established fisheries? An example of that is the Scottish pelagic fleet, which comes to the south-west. How would the rules be communicated and enforced? I see that as a recipe for great difficulty. I know that, every summer, there is the usual stand-off and fight between the Spanish and French boats in the tuna fishery in the Bay of Biscay. There is much that needs to be dealt with.

The hon. Member for St. Ives also knows that there is a very mixed fishery around the United Kingdom coast. I have great admiration for the way in which the Norwegians have run their fishery, and there may well be things that we can learn from them. However, we must recognise that it is a much more discrete fishery and is easier to manage than that around the United Kingdom coast. We should not assume that the transposition of Norwegian methods will necessarily be helpful in the UK context.

We can all probably agree that we want from the next phase of the CFP the two key objectives of relative stability in the quota shares and restricted access in the six and 12-mile limits. The measures that came out of Amsterdam seem to suggest that those are likely to be obtainable. The history of the Community has always been to try to roll forward and slightly modify things rather than to look at them fundamentally. Change based on the status quo is always more likely to come about than an ab initio alteration. Therefore, there is a reasonable chance of those aims being achieved.

Mr. Gill: I am sure that, with his great experience in these matters, my right hon. Friend recognises that there is a fundamental dilemma. How on earth can one preserve relative stability which is discriminatory in the context of regulation 101/76, which will apply from 1 January 2003 and which spells out clearly that we cannot have a discriminatory policy? Will my right hon. Friend pose the same question to the Parliamentary Secretary that I posed? Will he ask what evidence there is that relative stability will continue after 2002?

Mr. Curry: My hon. Friend has posed his question with such force that he hardly needs me to second it, especially as I have some questions of my own.

My thesis is that in the European Union the probability of a pragmatic solution being found with which everybody can live and about which nobody is particularly happy has such a long history that there is a sporting chance that that will occur again this time.

I want to address a broader issue in a deliberately speculative way because this is a wide-ranging debate. The present policy, based on total allowable catches and quotas, is massively dependent on control, regulation and intervention. It is applied, in theory, across the European Union. It means that the enormous interventionist and regulatory machine, which as the Parliamentary Secretary said, tells people what their annual catch ought to be, at least in theory, is applied to a traditionally freebooting industry—we might as well be honest about that. It applies at massive public cost and it does not work.

The policy is not delivering conservation and is not resting on any real consensus in the fishing industry. It is not a system of regulation and control that is willingly applied and observed by the industry. Therefore, it is extremely difficult to make it work. We all know that evasion, fraud and cheating are well nigh universal. The fishing industry would say that there is no real choice and no real way of making a livelihood, except by cheating. Other people might argue that the industry has not always broken its neck to apply regulatory methods and has not submitted itself to the necessary surveillance. That all adds up to an immensely complex system of control which is not delivering the goods.

What worries me is that the thrust of policy is to go even further down the same road. The Prime Minister came back from Amsterdam with various measures designed to address the quota-hopping issue. Whichever one of the three measures is chosen, it will be yet another element in the fabric of control. The Prime Minister has also proposed that we might have, for example, designated ports of landing. I remember talking eight years ago about the possibility of designated ports of landing as a way of getting round black fish, and so on.

The thrust of the policy is to multiply controls even further against an industry that is deeply unwilling to see them operate effectively. That means escalating costs and costs to the taxpayer. The costs deliver a poor rate of return if the investment in enforcement is set off against the achievement of sustainable fishing opportunities, and still less if it is set off against the development of the stocks.

We are all waiting for the next big stock crash. Will it be North sea cod? What will be the next big stock to crash? We all know that the spawning stock biomass is at a critical level. We talk about it every year. Every year, the Council of Ministers receives advice about the sustainable fishing quotas and there is a process of negotiation and barter which winches up all the quotas to reach a politically acceptable settlement. I know exactly how it works, because I have taken part in it. It will continue to operate, but it will not work. It will continue to be the method used to achieve some sort of deal.

The question is whether we can continue tightening the screws on a policy that is demonstrably not working efficiently enough. What are the costs of the policy? I intend to give some figures, but I readily admit that they are not all on enforcement. Significant elements may be on other matters; none the less, they show the total envelope of support for the fishing industry. The figures

[Mr. Curry]

are startling and they all come from the annual reports of the various Government Departments. I remember compiling such reports and wondering whether anybody ever read them. I now have an answer, because I have read them. In fact, I have some advice on how they could be made more readily understandable.

On page 215 of the report from the Ministry of Agriculture, Fisheries and Food, the figure for the conservation of sea fish stocks, which is mainly the British contribution to the International Council for the Exploration of the Seas, is about £5.75 million. The figure for fisheries structures and markets is more than £12 million and for fisheries management and enforcement about £13.5 million. That latter figure embraces the six Royal Navy vessels in the protection squadron.

I remember having detailed discussions with the Royal Navy about the costs of that protection, because the Navy regards it as an important training mechanism as well. Whether those costs are distributed actuarially is a matter for debate between the two Departments. There is also aerial surveillance of fisheries and those aircraft can be used for other purposes. None the less, if we add all that together, we have already got about £31 million of MAFF spending. There may also be odds and ends from sea fisheries committees and European Union structural funds which have to be added to that total.

We now come to the Scottish Office: in 1997–98, the Scottish Office spent £27 million on fisheries and another £12 million on the Scottish Fisheries Protection Agency, which I believe uses a mixture of Royal Navy and private vessels.

Mr. John Home Robertson (East Lothian): The Scottish Office does not use Royal Navy fishery protection services.

Mr. Curry: It is interesting that the Scots should use private vessels, which probably have a longer life at sea and fewer requirements to put into port for weekend leave than Royal Navy vessels. Those two together add up to £39 million.

It is interesting that, according to the Scottish Office, the value of landings of fish in Scotland by UK vessels in 1995 was about £295 million. In that year—I am comparing like with like—the Scottish Office spend, including capital expenditure on a new fisheries research vessel, was about £35 million; in other words, the financial effort from the taxpayer was equivalent to about 12 per cent. of the value of the legal landings, which is an enormously high proportion.

Mr. Gill: May I point out to my right hon. Friend that the title of this debate is "British fishing policy after 2002"? Will he address the issue of what happens on 31 December 2002 and what will be different after that date? All he has said so far is that there is a sporting chance that we will get our way on relative stability. I do not think that it is sufficient, either for Parliament or for my party within Parliament, to say that to the fishing community at this time. The fishing community must have something more positive. What is my right hon. Friend going to propose?

Mr. Curry: If my hon. Friend can wait a little, I am busy demonstrating that simply to roll the policy forward and to multiply the degree of control within existing structures would not be feasible. It would not be feasible for purely national reasons: we can see how much the system is costing and we all know the pressures on public expenditure. I shall shortly consider ways in which the issue might evolve and ask questions about that.

I was about to point out that £5.2 million was spent in Northern Ireland. There was also £12 million for fisheries from the European Union for the single programme document from 1994 to 1999. The value of landings in Northern Ireland is put at £17 million for about 20,000 tonnes of fish, so the ratio of public expenditure to the value of the catch is even higher in Northern Ireland.

Add together the amounts spent by those three Departments and the total is about £75 million of public expenditure supporting the fisheries industry. I would guess the value of legal landings in 1997 to be about £500 million, although that is only a ballpark figure. Public expenditure of £75 million applied to landings worth £500 million shows that the ratio of support is about 15 per cent. I cannot think of another industry where there is that commitment to sustaining a policy that does not work. That is the heart of the problem. While we operate fisheries on the basis of a universal system of tax and quotas, it is difficult to see how to get off that treadmill.

I am not attacking the Government—we have all been on that treadmill and we are seeking a way off. I suspect that there may be two routes down which we will necessarily be driven, or which we will at least have to explore. At this point in my speech, the hon. Member for Great Grimsby (Mr. Mitchell) will, no doubt, feel moved to revisit an indignation that is already familiar to us.

The first route is to move towards some form of simpler controls—in other words, to try to escape from a massively detailed set of regulations that cover everything from technical conservation to how long and where one can fish. As the hon. Member for St. Ives said, perhaps days at sea offer some opportunities. I have the feeling that days at sea may be with us in the end, because they offer an opportunity for enforcement that may take us away from some of the present systems of control.

The hon. Member for Great Grimsby may dislike the other route even more. How long will it be before the Government ask the industry to contribute to some of the costs through charging for licences?

Mr. Mitchell *rose—*

Mr. Curry: Before the hon. Gentleman intervenes, I hasten to point out that that would have to be done on a Europewide basis. I do not recant what I did as Fisheries Minister: I made a serious attempt to get to grips with the problem of conservation and I accept that the fact that it was not done on a Europewide basis was at the heart of the problems we experienced. It has to be done on a Europewide basis if we are to maintain a common framework; a Europewide move is probable, because I do not see this or any future Government deciding to risk political capital by trying to withdraw from the CFP.

Mr. Mitchell: It is interesting to see that, in his reincarnation as fisheries spokesman, the right hon. Gentleman has learnt nothing and forgotten nothing. The problem with the days at sea limitation was that it applied only in this country and did not apply to our competitors,

who were therefore free to take our fish. In addition, there was no financing of the lay-up period—why should fishermen lay up their boats without compensation when farmers get compensation for set-aside land?

Mr. Curry: I anticipated the first part of the hon. Gentleman's remarks and have already answered that point. He will recall that, in any case, many of the days at sea controls limited fishermen to no more than the actual period they already spent at sea.

Neither of the two routes I have described will work any better than the existing policy if the industry is deeply antagonistic to the controls. Technical conservation measures can operate only if the industry co-operates and perceives them as being in its own interest. The prerequisite has to be getting to grips with overcapacity through a fairly big-hit decommissioning scheme. That might well be followed by the introduction of more market mechanisms, for example, tradeable days at sea backed by technical conservation measures. Some of the measures, such as the closure of spawning grounds, seemed to work in the Norwegian fishery and were highlighted by the National Federation of Fishermen's Organisations in its most recent publication. That might give us the opportunity for rationalisation, once a step reduction had been taken, to be pursued internally in the industry.

I sketch that out as one of the possible scenarios. My thesis is simply that I do not think that we can continue on our present course, even if we were dealing with only a national fishery. That level of costs, without the system working, is not acceptable. The system is not demonstrably working, nor will it work at a European level. Therefore, we must either seek ways of getting off the treadmill through a simpler method of enforcement or consider a radically different structure for fisheries and a major attack on overcapacity in the industry. I should be interested in the Parliamentary Secretary's speculation about those outcomes. If my figures are wrong, I should be delighted to be corrected; but I suspect that, if they are wrong, it is because I have underestimated them.

12.17 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): I congratulate the hon. Member for St. Ives (Mr. George) on obtaining the debate and on his sensible and mature speech on the fishing industry. His predecessor was well known for taking a view on the industry that often cut across party lines, because he argued for the needs of his local industry. The current hon. Member for St. Ives is continuing that tradition by advancing a well-reasoned case relating both to his own industry and to the future of the British industry after 2002.

My hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) made an eloquent case for her own fishing industry and the regional needs of Fleetwood. I have met the hon. Lady and delegates from her local authority to talk about their port and their needs. That underlines the regional dimension of the fisheries industry in this country and the importance of regional ports such as Fleetwood.

The hon. Member for Ludlow (Mr. Gill) is consistent—that much is certain—but he is wrong on certain aspects of his assumptions. What exercises him and other hon. Members who share his views is their interpretation of what may or may not happen in relation to a future treaty in general and the common fisheries policy in particular. He is wrong about equal access, although he is right to say that that is enshrined within the CFP. He knows that I have argued that it is inconsistent and illogical in relation to the way in which the CFP operates.

My reason for arguing this—I have not changed my opinion at all—is that we now have the idea of relative stability, which has emerged over the years and is accepted by the Commission and by all member states. Under regulation 3760/92, the Commission has to produce a report by 31 December 2001—a report on changes to the common fisheries policy. But the principle of relative stability can be changed only by qualified majority voting by member states. If there is no agreement, it will continue in place automatically after 2002.

The President of the Commission, at the request of our Prime Minister, clearly stated in an exchange of letters:

"The key elements of the common fisheries policy are widely valued, and as the Commission has already stated, it seems unlikely that the fundamental principle of relative stability will be called into question, or that there will be a desire to modify present restrictions on access to waters inside Member States' 12 mile limits."

We see relative stability as a key component of the common fisheries policy and its successor.

I still believe the hon. Member for Ludlow to be wrong, but I respect the fact that he has been consistent. Of all the so-called Euro-sceptics, he is the only one who has continued to show an interest in the fishing industry; he has made a valuable contribution to our debates. But his interpretation is wrong, and so is his approach.

The hon. Member for Banff and Buchan (Mr. Salmond) said that the Scottish pelagic fleet has to obtain east coast and west coast licences, and has to call into port to get them. His point is well worth considering. The hon. Gentleman must know the reason for the process: the measure was introduced because of widespread misreporting. In other words, it was an enforcement measure. Any administrative problems to which it may give rise—the hon. Gentleman mentioned steaming into port only to find the office closed—should certainly be looked at, to see whether improvements can be found.

Mr. Salmond: Will the Parliamentary Secretary acknowledge that there must be a better way to proceed than sending fishing boats, in a climate of cost pressure, on trips merely to pick up pieces of paper? Will he at least undertake to consider the issue to see whether it can be resolved more satisfactorily?

Mr. Morley: I will certainly undertake to do so. I simply remind the hon. Gentleman that this was an enforcement measure to deal with what has been a serious problem.

The hon. Member for St. Ives is quite right to look ahead to 2002 and right to emphasise the importance of his home port, and how it will be affected. His port specialises in low volumes of high-value fish. There is a lesson to be drawn from that for the whole fishing industry: concentrate on quality and price, not on volume. That is a more sustainable way ahead.

I also acknowledge that the inshore industry is highly selective. I recently met the sea fisheries committees at their annual meeting; I believe that they have an important role to play in local fisheries management.

[Mr. Morley]

My hon. Friend the Member for Great Grimsby (Mr. Mitchell) has also been consistent in his opposition to the common fisheries policy. I must concede that much of his criticism is spot on. There are serious failings in the policy—no one could disagree with that—but there is also a need for a pan-European fisheries management policy to look after fish stocks. The Falkland Islands offer a good example of the need for wider fisheries management. The zone to the north of the islands is in international waters and squid stocks are overfished there; that impinges on the whole Falklands fishery area, and it shows the necessity of international fisheries management.

Unilateral withdrawal from the common fisheries policy of the kind for which some people argue is not a realistic or tenable option, as I think my hon. Friend the Member for Great Grimsby will concede. That is my sincere belief. We need to concentrate instead on reforming the CFP. I believe that we can achieve that and are achieving it. The CFP is being reformed. Regional groups have been set up to cater for the desire for a more regional approach. As for a more general strategy, I shall deal shortly with how the Government see the way ahead.

My hon. Friend the Member for Falmouth and Camborne (Ms Atherton) discussed the dredging of scallops and the need for conservation measures for our inshore fleet. She has talked to me before about the needs of her fishing industry, on whose behalf she has been a strong advocate. I can only assure her that we will make it a priority to resolve this outstanding issue.

The Government's objectives are, first, to strengthen the economic benefits that countries derive from their national quotas. The moves we made at Amsterdam were designed to that end. We did not come back claiming a huge victory in respect of quota hoppers, and I willingly concede that the industry is disappointed with the deal that we struck. That is probably because the industry's expectations were built up to unrealistic levels by the previous Government. What we achieved, however, was realistic. It will bring benefits to fishing communities, and it will act as a disincentive to the fishing vessels that rarely call into United Kingdom ports. Most of all, our deal kept economic benefits at the top of the list of priorities.

Secondly, we need effective controls on fishing efforts. Here there are various options, among which days at sea measures are only one. We do not want to go for the sort of scheme that the Conservative Government advocated and the fishing industry fiercely resisted. That is not to say that there is no place for some sort of effort control of that type, but we want to discuss that with the industry and ensure that it is workable. We have made it clear that fisheries enforcement policy will involve tough decisions in the end. The Government are prepared to take tough decisions in the cause of conserving stocks.

Effective enforcement may involve satellite monitoring, which is admittedly an expensive option. I agree that designating ports is a low-cost option, and I am keen on it. During a high-level meeting chaired by the Minister responsible for agriculture and fisheries, the issue of industry contributions was brought up. Although that clearly needs discussion with the industry, it was not dismissed out of hand at the meeting. It is a controversial subject, and the industry rightly wants to know what it will get, in terms of restructuring, in return for its contribution.

We also need more effective conservation measures. In that context, I welcome the paper produced by the NFFO, dealing with technical conservation measures and containing some good ideas—

Mr. Gill: Will the hon. Gentleman give way?

Mr. Morley: I am sorry, no. Improving quota management will of course embrace time scale and bureaucracy issues. I agree about the need to involve fishermen in the ownership and management of their quotas. We shall be discussing that, too, with the industry.

My hon. Friend the Member for Great Grimsby is concerned about greater regional management. We are very interested in the comments of the NFFO on coastal state management. There are differing interpretations of its meaning, however. There is certainly a role for more regional managing of the fisheries in our country—a point also conceded by the Commission in the letter from Mr. Santer to the Prime Minister.

After 2002 we want to extend the positive benefits of the CFP—relative stability, and the retention of our six and 12-mile limits. That is a Government priority.

Where third-country agreements are in place, it is important that the countries in question, generally developing countries, derive some benefit from the agreements, perhaps in the shape of joint ventures and some landings. The Commission must bear that in mind, and we will press for it.

Finally, I wish to answer the point that the right hon. Member for Skipton and Ripon (Mr. Curry) made about Rockall. The United Nations convention on the law of the sea made it clear that it was not possible to draw boundary lines from uninhabitable islands. We said that we would abide by that convention.

The relinquishment of the Rockall fishery zone will have no significant impact on UK fishermen. The level of catches in the Rockall zone is very low; it made up 0.1 per cent. of Scottish landings in 1996. In practice, UK fishermen will continue to have full access rights to 95 per cent. of the area in question and quotas will remain unchanged.

However, this country gains some tangible benefits, in terms of having internationally recognised boundaries, as a result of the ratification of the UN convention on the law of the sea. The right hon. Member for Skipton and Ripon may remember that the Rockall boundaries were always disputed by Ireland—

Mr. Deputy Speaker (Mr. Michael Lord): Order. It is time to move on to the next debate.

Adoptive Parents

12.30 pm

Ms Margaret Hodge (Barking): This debate is about the rights of one small group of people in our society. They are people who deserve our full support but who suffer gross injustice and against whom we currently discriminate. I am talking about women who cannot, for a variety of reasons, have their own children, and who therefore choose to adopt a child. At present, mothers who adopt a child are not entitled to statutory maternity leave or statutory maternity pay. Rights that are universal for women who are lucky enough to be able to bear their own children are denied to those who cannot have children and therefore adopt.

As the Minister knows, I and others, including my hon. Friend the Member for Sheffield, Hillsborough (Helen Jackson), have been waging a long campaign on behalf of adoptive parents. In the dying days of the previous Government, I introduced a ten-minute Bill designed to end that unfair discrimination. Sadly but unsurprisingly, our coherent and overwhelming argument fell on deaf ears. There were few votes in support of that cause.

One of the first actions taken by the new Government—indeed, by the Minister who will reply to the debate—has been to start the process of righting the wrongs that these women suffer. When Britain adopts and incorporates the social chapter, we shall end part of the discrimination that currently confronts adoptive parents. I warmly welcome that move and congratulate the Minister on that action.

When the social chapter comes into force in two years' time, adoptive parents will be entitled to adoptive leave, but it will remain unpaid. That simply is not right, and I hope that the Minister will listen carefully to the case that I and my hon. Friends put to him today. I hope that we convince him and his colleagues in government to go the whole way, and I hope that he will act swiftly to put an end to that dreadful and unjust discrimination.

Each year, 3,500 children are adopted into new families. Fewer than 400 are babies under a year old. Most are children who have come through the care system. They may have been shunted from children's homes to foster homes and back to children's homes. For them, the only alternative to a childhood in institutional care is adoption. For them, adoption is their only lifeline chance of experiencing a happy childhood in a loving family. For the parents who adopt, adoption represents their final opportunity of enjoying the fulfilling role of bringing up a child and creating a family.

We all know that adoption is the best option for those children. We know that it is good for the parents, for society and indeed for Government, for by promoting adoption we shall save the state the massive alternative expense of keeping children in institutional care. All of us are therefore beholden especially those who have the onerous task of governing on our behalf, to remove unnecessary barriers to adoption. However, in discriminating against mothers who adopt by denying them the right to maternity pay, we are not only perpetuating injustice but retaining a deeply unjust barrier to adoption.

Not all the 3,500 mothers of children adopted into a new family will continue to work, but some will want to and others will have to. We should work on the principle that they have the right to choose. At present, discrimination means that they have lesser rights than natural mothers.

Mr. Alan Simpson (Nottingham, South): I congratulate my hon. Friend on the points that she is making. Does she accept that we should also be talking about parental leave that includes fathers' rights? I make that point because I suspect that I am one of the few people in the House, or perhaps the country, who has had parental leave for all my children, including my son, whom we adopted.

I was very conscious that the initial period of parental leave helped to dispel some of my fears about whether it would be possible to love a child who was not my own, and made it possible to establish routines of bonding that were to serve us throughout the entirety of the lives that followed. I am profoundly grateful to my son for the lessons that he has taught me about loving. We should include fathers in those rights as well as mothers.

Ms Hodge: I accept the point that my hon. Friend makes. I am taking things a step at a time. However, fathers' rights are recognised in the social chapter.

Since I and others have taken up this cause on behalf of adoptive parents, we have been inundated with heart-rending letters, telephone calls and visits from people who feel deeply bitter and angry at the treatment that they received from their employers when they adopted children.

I spoke to an occupational therapist from Birmingham who had adopted a two-and-a-half-year-old girl after a series of miscarriages. When she asked for leave, her manager said that it was impossible because she could not give a precise date when she would bring the child home. He also could not understand why she needed time off, because she was not going through a pregnancy and a birth.

Another mother, from Nottingham, had to go through the humiliating experience of telling a panel all about her gynaecological problems when she was pleading for maternity leave and maternity pay to look after the 10-week-old baby whom she had adopted. Some mothers have been forced to leave their job because they could not secure maternity leave. Others were sacked when they even dared to ask for it.

A civil servant, an employee of the Government, working in Norfolk, adopted a 16-month-old child. When she asked for leave, even she found that she was entitled to only 20 days' paid leave compared with a natural mother, who is entitled to paid leave for 18 weeks. When she collected signatures for a petition among her colleagues at work, they could not believe that she was not entitled to equal treatment. That is the case everywhere. No one can believe that, in the latter days of the 20th century, we in Britain practise such inhumane and unjust discrimination against mothers who are unfortunate enough to be unable to have their own children.

The argument goes—Ministers have written to me and to my hon. Friend the Member for Hillsborough repeating this view—that maternity benefits are paid simply to allow the mother to take time off work physically to recover from childbirth and to protect the health of mother and child. That is an outdated, Victorian view of pregnancy and parenting. Gone are the days when pregnancy and childbirth were regarded as an illness.

[Ms Hodge]

Of course there are exceptions, but most mothers—having had four children, I should think that I know what I am talking about—need maternity leave primarily, not physically to recover from birth, but to allow time to bond with the new baby, time to get to know one another, and time to adjust to the new relationships and the changed circumstances that a new arrival in the family brings.

That is as true for those who adopt as it is for natural mothers. Arguably, maternity leave is even more important for those who adopt. Often the children come from families where they have been subject to abuse or neglect and it is vital that mothers have time to settle the new child, who may well be traumatised by previous experiences. We want adoptions to work and we should help adoptive mothers by stamping out the discrimination that they face.

Ministers may say that they cannot afford to extend maternity benefits to that group. As it costs less than £2,000 per adoption to pay maternity benefit and £50,000 for every year that a child is kept in institutional care, it makes financial sense for the Government to fund the maternity benefit and save expenditure on keeping children in care. Ministers may also say that they do not want to saddle employers with another statutory benefit right. That is simply unfair to adoptive parents and it exaggerates the impact of our proposals, for we are talking about some 1,500 women who adopt each year and continue to work, and who will therefore receive the entitlement, alongside the 260,000 natural mothers who currently exercise their rights each year—that is just over half of 1 per cent. of the current total.

A strong business case can also be made for ending the discrimination. That is recognised by companies such as the Body Shop and Boots and a number of local authorities, which have an adoption policy for their employees. First, if adoptive mothers are entitled to maternity leave and pay, they are more likely to stay in their jobs, thus saving employers recruitment and training costs and helping them to keep skilled and experienced staff. Secondly, small employers can at present insure for statutory maternity leave and pay. Employers cannot insure for those circumstances for which there is no statutory basis. For small employers, footing the bill by exercising discretion in favour of adoptive mothers then becomes a financial burden that they have difficulty in affording.

Our case is simple and just: end the inhumanity of this discrimination against mothers who adopt a child and grasp the opportunity of a new Government to put right an obvious wrong. By ending discrimination against adoptive parents, we in Parliament can remove just one obstacle that lies between a child who desperately needs a mother and a woman who wants to provide a loving home for that child. I urge Ministers to act now.

12.41 pm

Helen Jackson (Sheffield, Hillsborough): I congratulate my hon. Friend the Member for Barking (Ms Hodge) on the work and effort that she has put into this issue and on gaining this debate this morning. I am grateful to her for allowing me to make a few comments.

I first took up this issue in March 1995 on a cross-party basis with the support of the hon. Member for Chesham and Amersham (Mrs. Gillan), who raised it in 1993 in the House and who, free from her ministerial responsibility, remains supportive and may now be able to join the campaign again. The problem was brought to me by a constituent who had asked for unpaid leave from her employer during the settling-in period when she and her partner adopted a small baby. She had a responsible job as company secretary of a small manufacturing firm. She was refused time off, but, as she was determined to make the adoption work, she took time off and was summarily sacked. She had no right of redress as the law stands.

Shortly afterwards, the then Secretary of State for Health made a statement on adoption to the House, stressing the importance of a bonding period to ensure that adoption worked and developed. She was, however, unable to justify or even comment on the lack of an adoptive parent's right to leave, because that was the remit of the Employment Minister, or on paternity allowance, because that was the remit of the Social Security Minister. The issue therefore crosses departmental responsibilities.

The basic fairness of giving adoptive parents equivalent time and space to adjust to the arrival of a new child or baby seems plain to all. Between 6,000 and 7,000 adoptions take place each year and a small proportion of those are of children under the age of five.

It is as well to distinguish between the elements that we are discussing. First, adoptive parents should have the right of leave from work at the time of adoption. I am aware that not all employers take the attitude of the firm in my constituency, but no employer should have the right to take that attitude. An adoptive parent's right to leave involves minimal costs to an employer, none to the Exchequer, and can hardly be said to threaten Britain's competitiveness.

The European directive on parental leave now encompasses that right and it is to the new Government's credit that their determination to sign up to the social chapter to incorporate European employment directives should now ensure that no one can be sacked on those grounds in the future. We shall now join France, Germany, Spain and Sweden, among others, in having a statutory right to parental leave. However, we should go further and offer paid leave on the grounds of both principle and practicality.

We now know much more than we used to about the importance of strong parental love and family ties, and their fundamental link to a growing youngster's future emotional, educational and social development. Paid leave for parents at the time of adoption strengthens those family ties. A strong family unit is of the same importance to families that adopt as it is for all other families. To deny the rights enjoyed by natural parents to adoptive parents is simply discrimination.

Naturally, some costs are involved in introducing paid adoption leave, but the number of people involved is small. My hon. Friend spelt out the figures and, as I discovered back in 1995, they amount to less than half of 1 per cent. of the total budget for maternity pay for those who adopt a child under school age. In the overall run of things, that is minuscule, given that encouraging adoption, as the measure will, saves the state the cost of keeping children in care—it costs more than £48,000 to maintain a child in residential care—and given that the measure will save money by reducing unnecessary staff turnover and the £12 billion cost of absenteeism.

As my hon. Friend said, some employers say that the lack of statutory entitlement to adoption leave is a hindrance to their business as they cannot insure for adoption leave as they can for maternity leave. The previous Administration used to label such costs as burdens—burdens on business or on the Government—but we now live under a new regime with a new approach and, I hope, a new language. Such expenditure is justified, not only because it is fair but because it represents sound value for money.

It is not possible to put a price on a safe and secure society, but where we can identify small contributions that will make a real difference to people's lives, the Government should go for them enthusiastically.

12.47 pm

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): I congratulate my hon. Friend the Member for Barking (Ms Hodge) on securing this debate. I am well aware of her sustained interest in leave rights for adoptive parents. I have recently been in correspondence with her and with my hon. Friend the Member for Sheffield, Hillsborough (Helen Jackson) on this subject. I recognise the contribution made by my hon. Friend the Member for Nottingham, South (Mr. Simpson) in his intervention earlier in the debate.

May I say from the outset that we recognise the invaluable role that adoptive parents play in society. Parents who adopt children do so for the most compelling reasons. There is no higher calling in society than to provide a home and affection to children who would otherwise be deprived of family care. The benefits to the children are immeasurable. Some children may experience emotional or other difficulties as a result of not being brought up with their natural parents. That point was well made by my hon. Friend in the debate on this issue earlier this year.

Before commenting further, may I say that I would be more than happy to meet my hon. Friends to discuss their views, and I hope that they will take up my offer.

There are also benefits to the adoptive parents, particularly those who do not already have children of their own. Such a role can be immensely fulfilling. Society benefits, too. Children brought up in a loving family environment will be able to make a positive contribution to society.

I believe that I am the youngest grandfather in the House. My grandparenting responsibilities have somewhat gone by the wayside since I became a Minister of State in the Department of Trade and Industry. Perhaps my grandchildren will be looking for an adoptive granddad, unless I waken my ideas up over the summer recess.

I recognise the well-intentioned motives of my hon. Friend in focusing on the position of adoptive parents. She argued convincingly that the position of adoptive parents requires special attention. I do not have an easy task in responding to the many persuasive points made by my hon. Friends during the debate, but I shall do my best to deal with the strong arguments that were put forward.

One of the Government's key aims is to promote measures that will help people to balance the demands of work and family life. That includes the implementation of the parental leave directive, which will provide three months' unpaid leave to natural and adoptive parents. That is a welcome development, and one that explicitly recognises the needs of adoptive parents.

We aim to encourage employers to provide flexible working arrangements in the workplace. That includes part-time or flexible hours, job sharing and term-time working, working from home and career breaks. We will ensure proper protection for homeworkers and an enhancement of their role.

We are committed to producing a national child care strategy, which will help parents, especially women, to balance family and working life. We also have in hand a new initiative to help to integrate education and child care. That will provide early-education places for four-year-olds whose parents want one for their child.

All those measures are designed to underpin family life and to encourage a more flexible approach to working life. This family of initiatives reflects the Government's passionate commitment to balancing the needs of family and work. It also reflects our more positive approach to the social chapter, enabling us to benefit from European social policy initiatives. Opting in ensures that we will play an active part in developing such initiatives, rather than being left on the side-lines, carping and being ignored.

The Labour Government will do all that they can to encourage improvements in the workplace generally. We will aim to ensure that fair minimum standards are available to all employees, including adoptive parents. Part of our longer-term task is to create a fresh approach—a cultural change—based on partnership, rather than conflict.

Maternity health and safety issues are fundamental to the current maternity rights regime. The maternity leave provisions apply to all pregnant employees and are based on the pregnant workers directive. In addition, the directive requires employers to carry out a risk assessment, which is intended to assess the health and safety risks to the pregnant employee. Employers are required to offer alternative work if a risk exists. If necessary, they are required to suspend the employee for her own good and that of her unborn child.

The absence and return to work of an employee in those circumstances should not be compared with the circumstances of an adoptive parent. If there is a case for adoptive leave, it must be based on a different premise, as it does not contain the same element of health and safety for the new parent or the child.

The Government provide various forms of support to pregnant employees. Statutory maternity pay—SMP—is based on average earnings for the first six weeks of maternity leave, and after that on a flat rate of £55.70 per week for the remaining 12 weeks.

Maternity allowance is provided for employees who do not qualify for SMP, but who have paid sufficient national insurance contributions. It is also paid to the self-employed. The current rate is £55.70 for employees, and £48.35 for the self-employed.

The social fund maternity payments scheme is available for adoptive parents. It is available to families on low incomes or in receipt of disability working allowance. There were 216,000 such payments in 1995–96. The sums set aside for this fund are considerable: £22 million for 1996–97 and for 1997–98; and £23 million for 1998–99.

There is scope for local authorities to make discretionary payments in the form of an allowance related to the needs of the adopted child.

[Mr. Ian McCartney]

The idea of providing similar benefits to adoptive parents, especially those who adopt babies, is at first glance attractive. I understand the value of allowing time off work for adoptive parents to establish bonds of affection with young adopted children. Personally, I have much sympathy for the views expressed by my hon. Friends.

However, it is worth making a general point. The benefits paid to natural mothers are not intended to facilitate bonding, or even to provide financial support for the additional costs of looking after children. Benefits are intended to encourage pregnant employees to take up their maternity rights, so that they are not under pressure to stay on or to return to work too soon. Such pressures could lead to health and safety risks.

We can make much progress on the issue, but it will require a different approach which could usefully include a number of the points mentioned earlier. We need to recognise that existing maternity provisions are based on health and safety considerations, and that those considerations do not apply to adoptive mothers. Maternity benefits are intended to encourage pregnant employees to avail themselves of their leave entitlements. Again, that is linked to health and safety considerations. It is right that state benefits should be provided to pregnant employees who will inevitably have their earnings interrupted by giving birth.

We should take a fresh look at the issue and consider the position of adoptive parents on their own merits, not by comparison with birth mothers. That should enable us to consider the matter more favourably, and more in line with the views expressed by my hon. Friends who have been so eloquent in their passionate discourse. We should see adoptive parents as having their own distinctive requirements.

More generally, the Government are committed to family-friendly policies, designed to meet the needs of those with family and work responsibilities. That is why we will implement the parental leave directive. Our policies will develop in the years ahead, and there will be opportunities to consider how we can best achieve greater flexibility in the workplace.

Helen Jackson: My hon. Friend the Minister has emphasised the health and safety element in maternity leave. Does he accept that that is only one, fairly minor element in the existing arrangements? Our arguments about equal treatment cover all the rest, which is a much larger part of the reasoning behind maternity allowances and maternity pay.

Mr. McCartney: I have tried to set out a range of concepts applying to the workplace and the role and rights of adoptive parents. I have invited my hon. Friends to join us for further discussion. As a Government, we are in power for five years and, we hope, for a generation if we get such policies correct. We do not want to take a bull-in-a-china-shop approach—a big bang solution to everything. There are issues of principle, some of which have practical implications for other issues. Much of our strategy dovetails with other initiatives that the Government are preparing and are likely to adopt during this Parliament.

I offer my hon. Friends a genuine partnership to see where we can fit in their proposals and to examine the merits of the case, in line with the Government's general aim to provide employees in the workplace with basic minimum standards, and to ensure that those standards are non-discriminatory.

I have tried to respond positively to my hon. Friends. It is important that we co-ordinate policy across Departments, and my hon. Friends' arguments have implications for several Departments. The best way forward for this Government is through co-operation and co-ordination. We must reach agreement on our objectives and set out our plans for implementing our policies.

I am sure that my hon. Friends will have listened carefully to what I said. I hope that we can pursue the matter constructively through discussion and in partnership with other Departments, with employers, with employee representatives through trade unions and in other forums. I look forward to meeting my hon. Friends, in a spirit of partnership, to advance our dialogue on this issue. It is interesting to note, not for the first time, that no official Opposition spokesperson is present even to listen to the debate. We know that the Conservatives gave up in government, but it now appears that they have given up in opposition.

Sanitaryware (Flushing Standards)

1 pm

Mr. Michael Fabricant (Lichfield): I am grateful for this opportunity to introduce this important debate, which is not just about water regulation. It concerns water conservation; jobs; our balance of trade; and, perhaps most importantly, public health. As well as being interested in those technical matters, I have a constituency interest because Armitage Shanks, the biggest manufacturer of bathroomware in this country, is based in the town of Armitage near Lichfield in my constituency.

I shall begin by outlining the current position. Current water regulations prevent WCs from being installed in the United Kingdom unless they are of the siphonic type perfected by Sir Thomas Crapper in the last century. That is a fail-safe system. When the chain is pulled or the lever turned, a vacuum is created. Water is sucked up a pipe and then flushes into the lavatory. When the water flow finishes, the vacuum is broken. The water cannot then continue to flow or leak; nor can foul water be drawn back into the drinking water supply. As I have said, it is a fail-safe system.

The inferior valve system, which is currently banned, does leak. Like a plug in a sink, it inevitably corrodes, and water constantly trickles or even gushes from the cistern into the lavatory. Tens of millions of gallons of water are wasted every year in France alone through the use of this inferior method,

So why have I called for this debate today? At the beginning of this month, draft water regulations were published for public consultation. They are intended to replace the existing water byelaws. One aspect in particular gives rise to grave concern.

The draft regulations include a proposal to allow valve-flush cisterns to be fitted to WCs as an alternative to the currently exclusive mandatory requirement for the siphon flush. If this proposal to relax the current high standards of the byelaws is permitted, it will prove impossible to prevent the import of cheap and inefficient sanitaryware that will waste water through leakage. The effect on the environment will be significant. I put it to the Minister: at a time when the Government are rightly pressing the water companies to control leaks, will she allow a change in legislation that will create even greater water loss?

Moreover, the valve system also has the potential to compromise the integrity of the drinking water supply if the back-flow prevention capability is less than the current high standards demanded by the existing byelaws. Will the Minister give an assurance that she has considered the proposal properly, and will she explain how the negative results can be justified?

If inadequate regulations are made, the effect on the United Kingdom sanitaryware industry will be dramatic and immediate. The United Kingdom will see a flood of cheap, inefficient imports; one of the consequences of the resulting unfair competition will be lost sales for UK manufacturers, and, in turn, lost jobs. There will be an immediate adverse effect on the United Kingdom balance of trade, and a weakened British industry will be less competitive in its existing export markets, thus exacerbating the adverse trend in the balance of trade.

The impact will be felt hardest in the regions—those very parts of the country that the Deputy Prime Minister is committed to supporting by the Labour party manifesto. Will the Minister confirm that she has consulted the Deputy Prime Minister on the impact of the proposals on his constituency in Hull, where one of the more important United Kingdom sanitaryware producers, Ideal-Standard Ltd., is located?

Let me be clear about this: my interest in this matter is to save jobs that are threatened in a British industry, which, for more than a hundred years, has been a positive contributor to the United Kingdom balance of trade; and, perhaps even more importantly, to conserve water at a time when ever-increasing demands are being made on a diminishing and essential national resource.

This is no parochial issue affecting a relatively small, albeit successful, industry. The regulations will directly affect every man, woman and child in this country. Water byelaws represent "best practice" for the supply and installation of plumbing fittings, and any departure from them may be retrograde. They are the means by which water companies meet their obligation to prevent water wastage, undue consumption, misuse of water and contamination of the drinking water supply.

Although established by the water companies, the regulations are endorsed by the Department of the Environment, Transport and the Regions. Will the Minister undertake to ensure that the regulations, if implemented, will maintain the fundamental objectives of the existing byelaws?

Although today's siphon is essentially the same in design as Crapper's "water waste preventer"—as it was called 100 years ago—it is a much more efficient device. In Crapper's day, a 40-litre flush was not uncommon—although it did not measure litres in those days. Over the years, flush volume has been reduced as the sanitaryware industry has responded to revisions in byelaws, which are updated every 10 years. Since the 1960s, flush volume has been reduced progressively from 13 to six litres. United Kingdom manufacturers are already introducing six-litre siphonic flush WCs ahead of proposed further reductions in the new regulations.

Given the longevity of sanitaryware, it will not surprise hon. Members to learn that there are at least 50 million elderly WCs installed in the United Kingdom that flush more than 13 litres of water—and I suspect that many of them are working here in the Palace of Westminster. The potential for water saving by replacing those rather thirsty appliances is clearly enormous. Has the Minister calculated the water savings to be made by replacing the existing population of nine, 11 and 13-litre flush WCs with six or seven-litre flush WCs? Has she compared that with the savings to be made merely by making their installation a requirement in new-build situations?

The byelaw requirement for siphonic flush ensures that not a single drop of water is wasted. It is supported by the Environment Committee, which took evidence last year from the deputy commissioner of the New York City Department of Environmental Protection on the leakage from valve-flush WCs in New York. A survey of apartments found that 7 per cent. of WCs were leaking at a rate of 197 gallons—good old gallons—per day. That waste should be viewed in the context of the average daily per capita consumption in New York of 148 gallons per day. The wastage is significant.

New York's experience is not unique. At a recent conference on water conservation and public health, the Building Research Establishment reported that 16 per cent. of all WCs in France leak.

[Mr. Michael Fabricant]

The Department of the Environment, Transport and the Regions recently commissioned from the Building Services Research and Information Association a research project into the comparative performance of siphons and valves. Of eight different types of WC flush valve tested, four leaked, two had to be adjusted, and two had to be replaced to overcome leakage. It was concluded that any type of valve would leak eventually, and so should be installed only in conjunction with a water meter. However, there are flaws in that argument, as I shall explain.

In 1994, the British Bathroom Council commissioned the independent consulting company W. S. Atkins Ltd. to carry out field research in Germany and France on the reliability of valve-flush WCs. In France, leakage was a problem through cheap replacement valves being fitted in the DIY sector. W. S. Atkins's report was provided to officials at the Department of the Environment in 1994. Can the Minister explain why she supports the introduction of WC flush valves in the face of compelling evidence that they waste water?

I understand that the draft regulations are the recommendations of the Water Regulations Advisory Committee to the Secretary of State. Against the advice of the sole member drawn from manufacturing industry, which knows about these things, the committee has stated that WC valve flushing will save water, as it is more effective at lower volume. That is patently untrue.

The well-established reality is that all valves eventually leak and waste water. Leaks often go undetected or unremedied, even where a water meter is fitted. Furthermore, valves often leak at rates not picked up by water meters, and the total waste would be significant. In any case, the UK is unique in Europe in having only about 8 per cent. of domestic premises fitted with water meters, and it will be years before their use is widespread.

There is a further issue. A WC flushed with a valve is fundamentally less hygienic than a siphon. A valve flush does not scour the pan as effectively as the slightly slower flow from a siphon. It follows that poor scouring will result in fouling of the WC pan and be a health hazard—and lead to waste of water, because of the frequent need to double flush. There is an additional hygiene risk where a WC is blocked and there is a leaking valve. It is theoretically possible for foul water to be carried up into the cistern through a valve by eddy currents flowing against the downward flow. The result could be catastrophic—contamination of the drinking water supply.

The construction of the siphon precludes that risk, as it incorporates a dry, protective air gap approaching 10 in. Can the Minister confirm that she has assessed the additional hygiene risk associated with allowing WC flush valves in regulations? Might it be more than a coincidence that, in continental Europe, with its WC valves, we are often advised not to drink the local tap water?

The Water Regulations Advisory Committee proposes that the new water regulations should come into effect in October 1998. It seems to me that there are a number of practical problems in that timetable. The legislative process, including the current public consultation, must be followed by redrafting in the light of any comment before the proposal can be submitted to the European Commission for approval. The speed of that process risks errors and omissions.

If the Minister were to proceed into this headlong dash, manufacturers, merchants, retailers and the plumbing trade generally will have only a matter of weeks in which to implement changes in manufacture, stock holding and installation procedures. What consideration has the Minister given to the impact on the plumbing trade of the proposed timetable?

Given that WCs can be designed to flush effectively with a siphon at six litres—I am assured by UK manufacturers that they can—this question must be asked. Why is the WRAC prepared to admit inferior, wasteful, dangerous flushing designs for no gain? Could it be that commercial pressure from importers and Brussels has some bearing on the issue? Does the Minister support this?

The CEN, the European Committee for Standardisation, is years away from agreeing performance which might be used as the basis for legislation or the process of enforcement. Surely the United Kingdom can justify the retention of its excellent and efficient, if unique, flushing method—although I have seen the British system in use in the United States—until the CEN can introduce a European standard that defines a level of flushing performance that is no less efficient than our own. The uniqueness of the United Kingdom method is not, per se, an argument for its harmonisation out of existence.

The treaty of Rome allows the retention of technical legislation that can be justified on the grounds that it applies to all and is for the public good. A change to these water regulations will cause millions of gallons of water wastage. It will damage our balance of payments and threaten jobs. It will be a major health hazard. Cannot the Minister confirm that the existing byelaws are indeed pro bona publica?

Perhaps the most important question of all that needs to be answered today is this: can the Minister give the nation an unequivocal assurance that whatever decision she makes will not result in greater use and wastage of water than is now the case?

You, Mr. Deputy Speaker, the Minister and the House will be aware of the adage: "If it ain't broke, don't fix it." The Government should think twice, thrice, four times again before embarking on this dangerous course of action.

1.14 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): I congratulate the hon. Member for Lichfield (Mr. Fabricant) on securing the debate. His knowledge of, interest in and unashamed enthusiasm for the British lavatory and its siphonic flushing mechanism appears to know no bounds. He has waxed lyrical about the history and development of flushing mechanisms in a way that should perhaps make us all look at this familiar but vital contraption in a new way.

Indeed, I have the hon. Gentleman to thank for the opportunity to see my ministerial desk full to overflowing yesterday with a display of toilet flushing mechanisms of every conceivable kind in order that I might more effectively understand the points at issue in today's debate. I would have treated the House to that display had I not been mindful of the very strict rules preventing the use of visual aids in the House.

However, I feel that the hon. Gentleman has let his fertile imagination and well-known enthusiasm run riot. I am afraid that I simply do not recognise the nightmare scenario that he has painted for the House today of destroyed British jobs, poisoned water supplies and the triumph of inferior continental conveniences. Indeed, the House might be excused for thinking that the hon. Gentleman is completely potty for harbouring such lurid fears. I shall take this opportunity to reassure him.

As part of our commitment to water conservation, the Government will introduce new water regulations to replace the water byelaws, which have served to prevent the waste, misuse, undue consumption and contamination of water. They cover all plumbing installations in premises and a range of water appliances, including bathroom and kitchen fixtures and fittings, washing machines and dishwashers. The new regulations will cover similar areas, but will actively promote water conservation.

I should make it clear that no decisions on the contents of the regulations have been taken. The Water Regulations Advisory Committee will make recommendations to the Government late in the autumn. The hon. Gentleman seems to think that I have already made up my mind on the introduction of valve-flush systems. He is premature in that judgment. When the committee's report is submitted, my ministerial colleagues and I will consider its advice. In doing so, we will take full account of the key issues of water conservation and also of any impact that changes may have on business, employment and public health. I can assure the hon. Gentleman that we will not make any changes that place unacceptable risks on either.

The hon. Gentleman particularly asked whether I had consulted my right hon. Friend the Deputy Prime Minister on this issue. I am tempted to tell him that we talk of nothing else, but the real answer is that, when there are some proposals to consult my right hon. Friend on, I will do so.

I agree with the hon. Gentleman that the symphonic flush system—

Mr. Fabricant: Siphonic.

Angela Eagle: Well, mine sounds symphonic.

I agree that the siphonic system has served us well for more than a century. Over the years, as the industry has developed more efficient designs, it has certainly been possible to make significant reductions in the amount of water used, with no loss of effectiveness. The security that the system gives to public health as a result has also been valuable, and I do not underestimate it.

However, I am sure that the hon. Gentleman acknowledges that there is great potential for water conservation through reducing the amount of water used for flushing WCs, which currently accounts for a third of all household water usage. Clearly, if there is a mechanism that can reduce the volume of flushes, it would be right to consider its introduction in this country.

In its report last November, the Environment Select Committee said that reducing the maximum WC flush volume to six litres should be a priority. Most developed countries now have a six-litre maximum flush, without any discernible effects on public health. The hon. Gentleman reports that UK manufacturers are already introducing six-litre systems. Good. I shall certainly look to the industry to investigate further whether we can reduce that even more.

Depending on the advisory committee's recommendation, we might consider allowing the introduction of dual-flush systems with a maximum flush volume of six litres, providing the option of a lower volume of four litres. I leave the question of when a lower volume might be appropriate to the hon. Gentleman's imagination.

Valve systems offer such a choice, and therefore merit consideration. They can deliver a lower volume of flush when that is required, and allowing their installation would involve further potential benefits. They need less force, and can be electronically activated, which would help the elderly, the disabled and young children. The hon. Gentleman need not worry: I shall insist on being convinced that there is no significant risk of contamination of drinking water and no threat to public health before I proceed.

I presume that the hon. Gentleman's suggestion that there was a link between flush valves and advice not to drink tap water in continental Europe was yet another example of the Europhobia so often displayed by Conservative Members. The hon. Gentleman seemed to be particularly worried about France. He knows, however, that all European Union member states must comply with the stringent drinking water quality requirements in the drinking water directive. Indeed, countries outside Europe—the United States, Australia, New Zealand and many others—have valve systems, and experience no problems with the drinking of tap water. Perhaps the hon. Gentleman has not been to those countries—

Mr. Fabricant: I have.

Angela Eagle: Then perhaps he has a particularly delicate constitution.

The hon. Gentleman also referred to the rate of leakage from valve systems. I do not dispute the fact that any seal—in time, or immediately if incorrectly installed—will leak, and that is obviously worrying. There is no point in introducing a valve system to conserve water if it fails to do so. A leaking valve will, however, cause noise, as water will be required to refill the cistern. That will make the problem obvious. If the committee recommends change, precautions can be taken or complementary schemes can be established to minimise the problem. We shall certainly want to ensure that any valves that are installed meet stringent performance standards.

The hon. Gentleman fears that, in the absence of water metering, people may not replace old and leaking valves, because they do not bear the additional cost of water that is wasted. I should have thought that the disturbance of a constantly refilling cistern would provide a sufficient incentive for what I understand is not a difficult DIY job, but I think it possible to encourage conservation with or without metering.

As the hon. Gentleman should know, the Government have reservations about the impact of widespread and compulsory metering of water for domestic use. Regulation and education of domestic customers can play an important part in cutting waste and over-consumption. The hon. Gentleman knows as well as I do about the effect

[Angela Eagle]

of the "hippo", especially in the larger cisterns that he mentioned—many of which, I suspect, lurk in this building.

The hon. Gentleman said that United Kingdom bathroom manufacturers would not be able to compete with foreign companies. Indeed, according to the Building Services Research and Information Association report from which he quoted, many manufacturers expressed that view. I think that they are being too pessimistic, however. If the hon. Gentleman has read the whole report, he will also know that distributors and importers expected much less market penetration by imported goods. The British sanitaryware industry currently exports more than it sells at home—and, indeed, exports flush valves. The hon. Gentleman should have more confidence in the industry's ability to compete: I certainly have.

Mrs. Ann Winterton (Congleton): The industry is exceptionally important, not just to the Deputy Prime Minister but in my constituency, which contains Ideal-Standard and Caradon Twyford. It is an extremely successful industry, employing many people. Surely the last thing the Minister wants is damage to investment or employment prospects. Will she take such factors into account when considering the new water regulations?

Angela Eagle: As I thought I had explained to the hon. Gentleman, we will take exactly that kind of issue on board when making decisions—once we have the advisory committee's recommendations, that is. The hon. Lady need not fear that we shall not give careful consideration to the industry's concerns.

The hon. Gentleman has raised an important issue, and has given me an opportunity to emphasise again just how committed the Government are to promoting water conservation. I welcome his comments about that.

We are currently undertaking reviews of water charging and abstraction licences, as well as considering new water regulations. Businesses that manufacture appliances, however, should understand that they must seek to improve water efficiency at every opportunity, rather than simply waiting until the regulations change. I look forward to any advances that the industry can make in creating appliances that are more water-efficient than those that we now have. The more ideas, the merrier; the better they work, the better it will be for all of us.

Before I resume my seat, let me emphasise that all the points raised by the hon. Gentleman will be taken into account. He has lifted the lid on the worries that exist in the industry. I hope that I have managed to reassure him that no precipitate action will be taken, but, should he have any other questions, I should be only too happy to write to him at his convenience and—I hope—put his mind at rest.

Top Withens, Haworth

1.25 pm

Mrs. Ann Cryer (Keighley): I am delighted to have been given the opportunity to speak briefly on a subject that has caused me some concern over the past two years. I also want to record my gratitude to my hon. Friend the Minister for replying to the debate: he must have many calls on his time in such a busy Department.

For the benefit of those less fortunate hon. Members who do not live in the West Riding, let me begin by explaining what and where Top Withens is. Top Withens, or what remains of it, is a much loved ruin—a sort of last outpost of human endeavour—standing in grand isolation on a vast windswept moor-top above the hamlet of Stanbury, which in turn stands above Haworth. All that is in my constituency.

Haworth contains the parsonage, now a museum, which is dedicated to the life and work of the Brontë sisters. Emily Brontë wrote her passionate, haunting book "Wuthering Heights" there, and a family friend, Ellen Nussey, subsequently explained that Emily had had Top Withens in mind when she described the position of Wuthering Heights with its "pure, bracing ventilation". Although there are differences in the architecture of the two buildings, Withens remains a point of pilgrimage for Brontë enthusiasts from around the world, and a focal point for walkers, as it stands yards from the Pennine way national trail.

In the early 1970s, we took many family walks to Top Withens, but, by the time my late husband was elected as Member of Parliament for Keighley in 1974, the remaining structure was beginning noticeably to disintegrate. One of his first campaigns, therefore, involved working for the listing of Top Withens and for its repair by the then Craven water authority. He was successful on both counts.

The old local authorities of the Pennine towns built many impressive reservoirs early in the century, partly to ensure a plentiful supply of water for the textile industry. They also bought up great tracts of moorland, which formed the catchment areas for their reservoirs. That is how, when the last Government gave away the family silver, Yorkshire Water plc came to be the owner of Withens and much of the magnificent moor on which it stands.

Two years ago, when I became Labour candidate for Keighley, I quickly discovered that all was not well with Top Withens. There were frequent letters in the local press, reports of meetings and correspondence between the Brontë Society and Yorkshire Water, all concerned about the disintegration of the ruin. A year ago, I wrote to my right hon. Friend the present Secretary of State for Health, who was, as always, helpful, and reported to me that Withens had been de-listed in 1992, on the recommendation of English Heritage to the Department of the Environment, on the ground that it was "too altered". Inquiries through Councillor Mike Young of the Worth Valley ward elicited similar information.

I do not know whether the words "too altered" referred to changes since Top Withens was a working farm at the turn of the century, or changes that have occurred since its listing in 1974. If it is the former, English Heritage should bear in mind, if it troubles to preserve the

magnificent ruins of Rievaulx abbey, the fact that it is very "altered" since the days when it was a complete and working abbey. Should it be the latter, is it just that English Heritage can recommend de-listing simply because the owner of a building, through neglect, has altered its appearance? Surely that runs counter to the reasons for listing buildings worthy of preservation.

I had two reasons for requesting this Adjournment debate. First, I want to encourage Yorkshire Water plc to carry out the repairs that it has been promising for at least two years. I was hopeful that the publicity engendered by the debate would result in a massive letter-writing campaign, which would encourage Yorkshire Water to set about that overdue work. I am pleased to report that, as a result of pre-debate publicity, Yorkshire Water has given its word that work will commence next month

"to spend £20,000, stabilising and reinforcing the existing structure to ensure it will remain a part of the local landscape for years to come, and be enjoyed by future generations of literary lovers".

I hope to find time during the recess to walk up to the site and check that the company has kept its word. It would be helpful if my hon. Friend could join me. I assure him that the view is well worth the vigorous walk.

My second reason for instigating the debate is to call for the re-listing of Top Withens, and I appeal for my hon. Friend's support. Despite the much appreciated assurance from Yorkshire Water, it has taken the company at least two years to reach this position. Although its present conservation and recreation officer may genuinely care for Top Withens, that may not be so in the future. In common with many other people, my memory goes back to two long, hot, dry summers of carrying buckets of water from baths to gardens, while Yorkshire Water decided, on grounds of financial expediency, to allow leaks to leak.

There have been some changes. However, only two weeks ago, Yorkshire Water directors awarded themselves bonuses of up to 40 per cent. of earnings, based not on customer or environmental care but on financial performance. With those thoughts uppermost in my mind, I believe that, although listing would not be waving a magic wand of eternal care, it would reassure me, the Brontë Society and thousands of others who have great affection for this ruin that my hon. Friend's Department is on our side and cares about the future of Top Withens.

As an unreconstructed relic of old Labour, I still feel that the only way to achieve effective regulation of this most basic of utilities is to have an element of public ownership and accountability. As that is not to be, listing is my best hope.

I pay tribute to the Brontë Society, which, largely through its unpaid members, does such excellent work to preserve the memory of those fine women, Charlotte, Emily and Anne Brontë, who have given such pleasure to so many for a century and a half.

Bradford council's countryside service is also worthy of mention, as it takes care of the Pennine way in that area, thus enabling walkers to visit Withens. That service built the small bothy that afforded shelter to walkers, when, as so often, conditions were harsh. The countryside service will apparently retain the bothy once Yorkshire Water has repaired the main structure.

I should like to give Emily Brontë the last word. Although this paragraph from her first chapter of "Wuthering Heights" is not the killer quote or punchline that establishes Withens for all time as the inspiration for that book, for me it describes superbly the position of this memorial to a great author.

"Wuthering Heights is the name of Mr. Heathcliff's dwelling. 'Wuthering' being a significant provincial adjective, descriptive of the atmospheric tumult to which its station is exposed in stormy weather. Pure, bracing ventilation they must have up there at all times, indeed; one may guess the power of the north wind blowing over the edge, by the excessive slant of a few stunted firs at the end of the house; and by a range of gaunt thorns all stretching their limbs one way, as if craving alms of the sun."

1.34 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Tony Banks): I congratulate my hon. Friend the Member for Keighley (Mrs. Cryer) on her first Adjournment debate. She did extremely well. Many of us remember Bob Cryer campaigning on a number of constituency issues, most memorable of which was the Carlisle-Settle railway. Knowing the stable from which my hon. Friend comes, I am sure that she will be a doughty champion for Top Withens. However, I disagree with her description of herself as a relic of old Labour. She may like to join us old Labour people: we describe ourselves as vintage Labour, which is slightly more in keeping with how we feel at the moment.

I am usually associated with my role as Sports Minister. It is strange that my duties include the listing of buildings. In local government terms, that would be like being the chairman of tramways and fine arts. It is a strange but enjoyable combination of responsibilities. It is enjoyable because it involves a great deal of subjectivity, and it gives me the opportunity to take decisions. I thought that that would be one of the joys of being a Minister, but it is difficult to take decisions, even when one wants to, given that I have to go as a supplicant to the tables of the people on the sports side and entreat them to see my point of view. But in this area one can take decisions, so I thoroughly enjoy this duty.

I thank my hon. Friend for bringing Top Withens to my attention. I will be honest and admit that I had no knowledge of Top Withens until she described it. We listened to her advocacy of the site. I have only been able to get hold of a photocopy of a poor picture from "The Brontë Experience", which was sent to us by Keighley council. It does not do justice to the site. Indeed, the main part of its front page is a picture of Sir Clifford Richard talking Heathcliff. He is a national institution if ever there was one. I am sure that Sir Clifford will qualify for listed status fairly shortly.

I have not had the opportunity to look at the site. I understand that Top Withens is thought to date from the 17th century. As my hon. Friend said, it was once a small farmhouse with an attached barn. The Department for Culture, Media and Sport and English Heritage say that it is now little more than a ruin. No one has claimed that the building has any great architectural merit, but it was listed on 24 October 1974 because of its association with the Brontës. The list description stated that it is thought to be

"one of the buildings in which in part"

Emily Brontë based "Wuthering Heights". However, the Department says that it has seen no hard evidence to support that claim, and that it was a mistake to have listed it in the first place.

[Mr. Tony Banks]

That mistake was welcomed in the area, certainly by the Brontë Society. In considering whether the site should be re-listed, we shall have to examine further evidence. The Brontë Society must position it more accurately in the great saga of "Wuthering Heights".

We have a statutory obligation to consult English Heritage, whose opinions and views must be considered by Ministers before a decision is made. It says that we have to look at the architectural merits of a site and its historical interest. However, historical interest or association is by no means the same as literary association. There seems to be a lack of romanticism in English Heritage. I am not being disrespectful, but it gives me an essentially bureaucratic view. There are times when a literary association becomes an historical association; considerable subjectivity is involved.

Rievaulx abbey and the question whether there have been alterations is not a relevant comparison. English Heritage advises me that we are talking about something that is a ruin through neglect, rather than through alteration. My hon. Friend tells me that it is in a beautiful part of the country. Although it is off the beaten track, many people walk past it. I suspect that a number of them take pieces of it as souvenirs. That is regrettable. I understand that people feel that it is some sort of romantic link with the Brontës and "Wuthering Heights", but it is nevertheless a form of vandalism and we must prevent it. I was delighted to hear my hon. Friend say that she had convinced Yorkshire Water to take its responsibility seriously in trying to protect the site.

I understand the concern in the area to protect Top Withens. I know that my hon. Friend feels strongly—as her late husband did—about Top Withens. She is not the only hon. Member from the general locality who has made representations to me about Top Withens. However, even though I said that this is an area where decisions can be made, and that I actually like making decisions, I cannot announce from this Dispatch Box that Top Withens will be re-listed. I will ask English Heritage to make a further assessment of Top Withens to see whether it can be re-listed and the mistake repeated—only this time it will be not a mistake, but a positive act by English Heritage and my Department.

I will take up my hon. Friend's kind invitation to come to see the site. There is good reason for doing so. It will be a walk in the country. She described it as a vigorous walk, but I am not a vigorous walker. If she wants a vigorous walker, I suggest that she extends an invitation to my right hon. Friend the Secretary of State. I am more of an ambler. I should be more than happy to amble with her through the beautiful countryside and look at Top Withens. My hon. Friend has made a good case, and I want to see what she has described for myself before taking any further decisions.

I extend to my hon. Friend some considerable hope for the future of Top Withens. I congratulate her on raising the subject in the House, and thereby demonstrating the power of a Back Bencher to persuade Ministers.

It being before Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

Caribbean Banana Producers

1. **Mr. Ernie Ross:** To ask the Secretary of State for International Development what representations she has received concerning the interests of Caribbean banana producers; and if she will make a statement. [8356]

The Parliamentary Under-Secretary of State for International Development (Mr. George Foulkes): We have had a very large number of representations from many quarters. The banana industry is of crucial importance to the Windward Islands and also to Belize and Jamaica. We shall continue strongly to support favourable access to the European market by Caribbean banana producers.

Mr. Ross: Can my hon. Friend assure the House that when the World Trade Organisation panel's finding is made public we in Europe will be able to provide a transitional period for the Caribbean countries affected by the decision—whatever it is—so as to ensure that an adjustment programme is introduced to protect livelihoods, especially for small family producers? I am sure that my hon. Friend would agree that we do not want those families to be devastated by the WTO panel's finding and to discover that pressure is put on them to move towards an alternative crop, such as those involved in the drugs industry.

Mr. Foulkes: My hon. Friend is absolutely right. As he knows, the European Commission has appealed against the WTO panel's finding that the European Union regime breaches the WTO rules. We cannot anticipate the outcome of that appeal, but I assure my hon. Friend that we shall press for as long a transitional period as possible to help our colleagues in the Commonwealth Caribbean. He is right that we are encouraging them to diversify into other products. If they diversify into drugs, it would be bad for us and bad for the United States. That message was given to President Clinton when he visited Barbados, and I hope that he will take note of it.

Mr. Wells: Will the Minister report to the House on how the banana regime is working? Can he tell us where the income from B licences, which the West Indian banana producers should enjoy, is actually going? Is it not extraordinary that the Government of St. Lucia are having to subsidise banana producers in their country when a huge amount of that money ought to be going to them?

Mr. Foulkes: The hon. Gentleman is very knowledgeable about the Caribbean, and especially about banana production. He will appreciate that I cannot give him a report off the top of my head, but I can assure him that I will write to him, deal with the points that he has raised and give him as full a report as possible.

Mr. Kaufman: Is my hon. Friend aware that I am receiving letters from death row prisoners in Jamaica saying that the Jamaican Government are actively considering resuming hanging? Will my hon. Friend make it clear to the Jamaican Government—

Madam Speaker: Order. Does this concern banana producers?

Mr. Kaufman *indicated assent.*

Madam Speaker: Will the right hon. Member let me know how banana producers come into it?

Mr. Kaufman: I am extremely grateful for your guidance and correction, Madam Speaker. I was about to come to the banana regime. Will my hon. Friend make it clear to the Jamaican Government, and to the Governments of other Caribbean countries with similar policies, that our support for the banana regime and other forms of economic aid must be dependent on rectification of human rights abuses in those countries?

Mr. Foulkes: My right hon. Friend has raised this matter on a number of occasions, including a very important Adjournment debate. I am sure that the whole House would not want our vital assistance to the Windward Islands to be in any way conditional. I think that my right hon. Friend would agree, however, that the fact that wages and working conditions for banana workers on the Caribbean smallholdings are much better than those on the central American plantations run by US companies is a very good social reason for supporting the Caribbean.

Mr. Goodlad: Bearing in mind the uncertainties mentioned by the hon. Member for Dundee, West (Mr. Ross) in relation to the World Trade Organisation, and also the uncertainties inherent in renegotiation of the Lomé convention, will the Minister reassure the House that our own aid budgets to our Commonwealth friends in the Caribbean will not be cut?

Mr. Foulkes: I can certainly give the right hon. Gentleman that assurance.

Mr. Godman: I am pleased to hear that Caribbean banana producers have the support of European Commissioners. When the Minister next meets Ministers from Germany and Italy in particular, will he impress on them the moral obligation that we have as a nation towards the people of the Caribbean? Quite apart from all else, including morality, Caribbean bananas are much better quality than the things coming in from central America.

Mr. Foulkes: My hon. Friend is absolutely right. I have already described working conditions on Caribbean smallholdings, which are much better than those on central American plantations. My hon. Friend is also absolutely right about taste. I urge not only him but Opposition Members to eat more Caribbean bananas. The House can thereby set an example for the nation.

World Development Report

2. **Mr. Luff:** To ask the Secretary of State for International Development if she will meet

representatives of the World bank to discuss their latest world development report; and if she will make a statement. [8357]

The Secretary of State for International Development (Clare Short): I have discussed the report, which is entitled "The State in a Changing World", with the president of the World bank. The key argument of the report—which I greatly welcome—is that we must strengthen public sector institutions so that adequate services can be provided to poor people. The report focuses on the best way to develop the state's capacity to produce adequate services and on how the private sector can assist in reaching that goal. I believe that publication of the report marks a significant shift from the old belief—from a previous era—in omnipotent states, and also from more recent mistakes based on market idolatry, to the realisation that states and markets alike make good servants but bad masters.

Mr. Luff: Does the right hon. Lady welcome the report's emphasis on the need to cut corruption in the developing world to increase state capability? Does she agree that some of the best ways of doing that include reducing subsidies and regulations, promoting large-scale privatisations and attacking state monopolies?

Clare Short: I absolutely agree with the hon. Gentleman: we must always try to reduce corruption—as the Conservative party has learnt to its cost. The report suggests that we need a virtuous and efficient state. If we are to have efficient markets, we need a state that is an efficient regulator. It is a mistake to think that everything can be driven by markets. We require a lean, efficient state which regulates market forces well so that we can provide quality services for people and macro-economic conditions which draw in investment, especially into the poorest countries.

UK-US Aid Relations

3. **Mr. Olner:** To ask the Secretary of State for International Development if she will meet the US ambassador to discuss bilateral UK–US aid relations.[8358]

Clare Short: I have met the United States ambassador twice, when we discussed a wide range of issues including the need for a strengthened United Nations and for greater commitment to poverty eradication.

Mr. Olner: I thank the Minister for her response. Perhaps one fruitful line for us to pursue with the United States is to reach a joint agreement ensuring, through our assistance to the former Yugoslavia, that the Dayton agreement is fully realised, particularly now that it is soon to expire. Will she also talk with the United States about the role of the World bank and perhaps about postponing its loan to Croatia?

Clare Short: I am grateful to my hon. Friend. He will be unsurprised to hear that we did indeed talk about the situation in Bosnia. There is a renewed determination in the United States Government and the British Government to work in every way possible to achieve full implementation of Dayton and greater progress on such matters as refugee return. The United States is reinvigorated in its commitment, and so are the United Kingdom Government. We have considered very sceptically the proposals for the World bank's loan to Croatia, in view of the conditions in that country.

Mr. Fabricant: Is the right hon. Lady aware that the United States is the largest giver of aid to the people of Cuba, although not to the Cuban Government? Will she use her best influences to determine whether the United Kingdom and the United States can work together in promoting freedom in Cuba while simultaneously not propping up its communist regime?

Clare Short: I absolutely share the hon. Gentleman's aim of a stable Cuba with more freedom and economic prosperity for all its people. As the hon. Gentleman knows, the United States Government differ with most European Governments on the best way to achieve that aim. It would be good to reach more agreement and make further progress towards the end which, as the hon. Gentleman rightly says, we should all share.

Mr. Sheerman: When my right hon. Friend discusses those issues with the United States at the highest level, will she impress on her colleagues the importance of the United Nations Educational, Scientific and Cultural Organisation, the value of our having rejoined it, and how good it would be for development throughout the world if the United States took the same decision?

Clare Short: I am grateful to my hon. Friend for those remarks. Some time ago, President Clinton wrote to the director general of UNESCO, Mr. Mayor, to say that he hoped that the United States would rejoin. I am proud that we in this country have rejoined. One of the world's major objectives in poverty eradication is to get every child in the world—especially girls, who tend not to be in education in the poorest countries—into primary education by 2015. Much of the thinking and infrastructure to achieve that aim must come from UNESCO, which is a precious institution. It has increased its efficiency and we must strengthen it still further by being on the inside, rather than on the outside carping.

Aid Distribution

4. **Mr. Laurence Robertson:** To ask the Secretary of State for International Development if she will make a statement on the steps that her Department is taking to ensure that aid from the United Kingdom (a) reaches and helps the world's poorest people and (b) is not kept by their Governments. [8359]

Clare Short: We have vigorous appraisal, monitoring, accounting and auditing procedures to ensure, so far as is humanly possible, that our development assistance is used for the purpose intended. The UK record is one of the best, although we must always be vigilant. We have strengthened our commitment to poverty eradication. Where possible, we hope to work in partnership with Governments to enlarge their capacity to provide basic services to the poor of their countries.

Mr. Robertson: I am grateful to the Secretary of State for that answer. Given that UNESCO cleaned up its act because the United Kingdom and the United States left

some years ago, how does the Secretary of State intend to ensure that any money that we give it is used wisely? After all, we have now re-entered UNESCO and that august body tends to deal at Government level.

Clare Short: If the hon. Gentleman considers the record, he will see that the improvement in the performance of UNESCO came with the appointment of the existing director general, who is widely admired throughout the world and has done an extremely good job. When one looks at the process of reform it is not true to say that the improvement was caused by countries leaving. In general, in all the United Nations institutions, we are determined to have the most powerful and efficient system possible so that we can achieve the current objective of a big advance in poverty eradication, which will in turn prevent conflict and war. We are working within the system and backing the Secretary-General's reform proposals to achieve those objectives.

Ann Clwyd: As aid to Indonesia has in the past been tied to arms deals, does my right hon. Friend see any good reason why Indonesia, which is not one of the world's poorest countries, should any longer receive aid from Britain?

Clare Short: It would be illegal for there to be any link between arms selling and aid, and I give my hon. Friend the absolute undertaking that under this Administration there will never be even a remote connection between aid spend and any arms trading. As my hon. Friend knows, we have been reviewing our aid policies throughout the world. In the case of Indonesia, we have a big project in relation to sustainable forestry and improving the livelihoods of poor people who live in the forests. That project has done some excellent work and will continue.

I am also considering whether we can do any useful work with non-governmental organisations in East Timor or in strengthening democratic trade unionism in Indonesia where, as my hon. Friend will know, there has been great oppression. That is the direction of my thinking on the programmes that we are rightly undertaking in Indonesia. I shall discuss with the House any further proposals that come forward.

Dr. Tonge: I thank the Minister for that reply, but may I press her further? Does she agree that the continuing sale of Hawk jets to Indonesia is damaging human rights in that country and damaging the poor in East Timor? Does she agree that the Government should revoke the export licence granted by the previous Government for Indonesia, especially as no financial penalties would be incurred in so doing?

Clare Short: As I am sure that the hon. Lady knows, that is a matter for my right hon. Friend the Foreign Secretary, who has made it clear that he will shortly make a statement on that area of policy. The hon. Lady would not expect me to pre-empt that today.

Rev. Martin Smyth: Does the Secretary of State agree that, while Governments have a role to play, non-governmental organisations have sometimes done the best work in reaching the poorest people? Does she also agree that they could perhaps co-operate better sometimes so as not to spend so much money on their own staffing rather than on reaching the poor to supply their needs?

Clare Short: I agree that the voluntary sector has done wonderful work across the world. That is clear evidence that the people of the United Kingdom have generous hearts and care about the morality of the suffering and poverty in the world. It is the duty of Governments and the voluntary sector to spend every penny as efficiently as possible. We want to work with Governments who share our aims of poverty eradication. If the capacity of a Government to deliver services to the poor in their country is strengthened, a permanent advance is made in the conditions for those poor people. Where that is not possible, we shall continue to work with non-governmental organisations and we shall always look for the greatest possible efficiency.

Mr. David Marshall: Does my right hon. Friend agree that perhaps one of the best ways of ensuring that aid reaches those who need it most is to give less cash and more materials and goods manufactured in this country and to make greater use of people in this country whose experience and assets could contribute to countries that need their skills?

Clare Short: With respect, I am not sure that I fully agree with my hon. Friend. Aid should be transitional. We should look forward to a day when there will be no aid because we have helped to develop in the poorest countries the capacity to provide services to their poor people and to create an economic climate to attract private investment. Creating flourishing economies in the poorest countries will also benefit our own economy, with more trade for everyone. We want progress along those lines. Rather than using people from Britain, it might be better to train a lot of people in a needy country, because that would create a larger capacity in that country, which would remain permanently.

Ms. Hunter: Given the importance of non-governmental organisations in ensuring the effectiveness and efficiency of our aid budget, is it the Government's policy to increase the proportion of that budget administered by non-governmental organisations?

Clare Short: As I hope that I have already made clear, it is our purpose, in signing up so firmly to the international poverty eradication targets, to look for partner Governments in the least developed countries—*[Interruption.]*

Madam Speaker: Order. The hon. Member for Blyth Valley (Mr. Campbell) is disturbing the House.

Clare Short: We want to work with partner Governments who also sign up to the poverty eradication targets. If we can work together, in harmony with the World bank and other donors, there is a better prospect of securing a greater advance in the poorest countries. That is our preferred route, but it is not always possible to work in that way in all conditions and in all countries. In other situations, we work with NGOs. Our aim is to enlarge the capacity of poor countries to provide services to their poor

people and to create economic conditions that will attract investment and promote sustainable economic growth in those countries.

Child Labour

5. **Mr. Pond:** To ask the Secretary of State for International Development what measures her Department plans to take to discourage the exploitation of children in employment in developing countries. [8360]

Clare Short: I have already announced that we shall be strengthening our support for the efforts of the International Labour Organisation to eliminate hazardous and exploitative child labour, which includes the sexual exploitation of children for commercial purposes—the most abominable exploitation of all. Through our bilateral programmes, we are ready to support other initiatives in that area. We are supporting efforts in Britain to develop and monitor codes of conduct to ensure decent labour standards for adults and children in industries providing our imports.

Mr. Pond: I thank my hon. Friend for that encouraging answer. She will be aware that there is also a major problem of illegal child employment in this country, which accounts for one third of working children throughout Europe. Would it not be the finest achievement for my right hon. Friend and her new Department to go down in history as the Wilberforce of the 21st century by helping to eradicate child exploitation throughout the world?

Clare Short: I thank my right hon. Friend, though I do not know that I can quite aspire to matching Wilberforce. The comparison with our own country is useful: it enables us to see the difference between the beneficial experience provided for children by the Saturday jobs that we have all done and the exploitation of children working too long hours. That must be our attitude both in this country and overseas, rather than a crude call for boycotts whenever there is any child labour. We must make sure that it is properly controlled, that it is in proper sectors and that the children are not being deprived of education. We must take the same approach in our own country as elsewhere. We have made a $1 million donation to the International Labour Organisation for its work on the new convention on the outlawing of hazardous and exploitative child labour.

Mr. David Davis: As Wilberforce was a predecessor in my constituency, I have a great deal of sympathy with the hon. Member for Gravesham (Mr. Pond). The Minister will know that in many countries with no welfare system the income from children in their low teens is a major part of a family's income, particularly if the parents are disabled. What would the Minister do if some of the initiatives to which she has referred meant that some families were left not just in poverty but facing starvation?

Clare Short: The right hon. Gentleman is right to make that point. There were moves in the United States to ban the import from Bangladesh of any products involving child labour. That led to many children from extremely poor families being thrown on to the street and becoming beggars, and sometimes becoming involved in child prostitution.

We must have an intelligent approach which stops the most hazardous and exploitative use of children, particularly in the commercial sex industry. There are parts of the world where children are traded for such purposes. That is intolerable and we must do all that we can to prevent it. In very poor countries we must seek to control child labour rather than outlawing it and to ensure that children receive some education: it should not be labour at the price of the rest of their lives. The right hon. Gentleman is right in his fundamental approach.

Development Education

6. **Mr. Hope:** To ask the Secretary of State for International Development what plans she has for developing the scope and extent of development education in supporting the work of her Department. [8361]

Mr. Foulkes: We are undertaking a radical rethink of the Department's communications work with a view to increasing public awareness and support for our plans for poverty elimination to be set out in the forthcoming White Paper.

I take this opportunity to congratulate my hon. Friend the Member for Corby (Mr. Hope) on hosting in the House the very successful launch of the Global Youth Work Advisory Service, which I was able to attend together with a Minister from the Department for Education and Employment. The service will make a positive contribution to our work.

Mr. Hope: I thank my hon. Friend for his positive and generous reply. Does he agree that we need a comprehensive strategy involving schools, adult education colleges, universities and the wider media to educate people of all ages and to raise public awareness of the globalised world in which we live and the impact that globalisation is having on our everyday lives?

Mr. Foulkes: I agree with my hon. Friend. Our targets will include not just schools and youth groups but business groups, consumers, tourists and trade unions. We intend to produce a short, popular version of the White Paper which will be available for discussion in schools and for consideration by Church groups and others.

Mr. David Heath: Will the Minister give every encouragement to twinning arrangements between schools in this country and schools in the developing world, similar to that of Ansford school in my constituency? Does he see that as a way of promoting, for example, female education in developing countries, which many people feel is particularly important?

Mr. Foulkes: I agree completely with the hon. Gentleman. We are encouraging what we prefer to call partnerships between schools in the United Kingdom and in developing countries rather than twinning arrangements, which sometimes have unfortunate connotations in local government. We want to use schools such as that mentioned by the hon. Gentleman as models or exemplars for others in Scotland, Wales, England and Northern Ireland.

Promotion of Democracy

7. **Helen Jackson:** To ask the Secretary of State for International Development what steps she is taking to ensure that overseas aid from her Department is used to promote democracy in the third world. [8362]

Clare Short: As part of our human rights approach to development and the elimination of poverty—we must address people's material needs and their right to dignity and their own voice—we will give special attention to the rights of poor and disadvantaged people and the need to ensure that their voice is heard in Government.

Helen Jackson: Does my right hon. Friend acknowledge that in many third-world countries there is very little, if any, multi-party democracy as we know it here? Will she give priority within her funding programmes to those projects, often small community projects, which provide people with the potential and the power to have an input into the internal politics of their country?

Clare Short: There are far more multi-party democracies around the world now than there were 20 years ago. There has been enormous progress, especially in Africa, and we want to strengthen and deepen those democratic movements. We all share the objective of bolstering democratic forces; the question is how to do that most effectively. Given that our work focuses on the needs of the poorest, working with them to ensure that their voice is heard in the political system will be the focus of our efforts.

Mr. Cash: Will the Minister give an indication of the Government's policy regarding Kenya? As chairman of the all-party group on east Africa, I have a special interest in the subject. Has her Department considered withdrawing aid from Kenya in the light of the atrocities that have recently occurred there?

Clare Short: We are very worried indeed by the situation in Kenya. The Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), has been out to Kenya and had talks with the Government there about the nature of Britain's worries. We are monitoring the situation closely and have been reviewing our aid contributions.

I share the hon. Gentleman's concern: it would be a tragedy if Kenya were to become more repressive and cut off from the rest of the world. However, we cannot tolerate that sort of behaviour and continue to contribute the level of aid donations that Britain has historically given to Kenya.

Mr. Donald Anderson: Will my right hon. Friend give an assurance that the welcome new focus on poverty eradication does not imply a downgrading of conditionality, especially in the Commonwealth under the Harare declaration?

Clare Short: I believe that the idea of signing up, absolutely clear-mindedly, to the international poverty eradication targets actually refines the idea of conditionality, because we can then look for partner Governments who share those targets. We can then work in partnership with those donor countries and the Government of the developing country to eradicate poverty. That is the way we want to work. Conditionality becomes partnership, but it is focused entirely on successful poverty eradication. It is a two-way relationship, not just conditions imposed by us. It is a partnership based on a clear commitment by both sides to work firmly and clear-mindedly for poverty eradication.

Trade Barriers

8. **Mr. Flight:** To ask the Secretary of State for International Development what representations she has received about the reduction of tariff and non–tariff barriers in developing countries. [8363]

Clare Short: Developing countries consistently stress the importance that they attach to improved access to European Union markets. That is a priority for the Government. We have made a start by agreeing to extend access to EU markets to the nine least developed countries which do not benefit from the Lomé convention.

Mr. Flight: Looking at the other side of the coin, it is observable that the least successful developing economies tend to have the most closed external tariff regimes. Are the Government keeping an effective register of the tariff regimes and non-tariff barriers to trade of developing economies? Are they also collaborating with both the International Monetary Fund and the World bank in our aid policy to encourage more open trade policies for those economies which are most in need?

Clare Short: The hon. Gentleman is absolutely right. The thinking on trade in past eras was that weak economies had to protect themselves with high tariffs, but we have seen that that did not lead to development in most of the neediest countries, especially those in sub-Saharan Africa. The evidence is clear that it is beneficial to those economies to open up their markets to trade, but in a phased way which gives them a chance to develop their own capacity.

That theme will be crucial to the thinking that goes into the Lomé renegotiation—a phasing of opening up in a way that enables the poorest countries to develop the capacity to draw in investment and strengthen their own base. Getting that right is one of the major issues of the next period.

United Nations

9. **Mr. Corbett:** To ask the Secretary of State for International Development what was the outcome of her discussions at the UN General Assembly special session in New York. [8364]

Clare Short: At the UN General Assembly special session in New York last month we stressed that tackling poverty and protecting the environment are inextricably linked and that the commitment to poverty eradication is the bridge that unites countries of the north and south. The special session agreed that all countries must have sustainable development strategies in place by 2002. My Department hopes to work in partnership with developing countries on the preparation of such plans.

Mr. Corbett: I thank my right hon. Friend and congratulate her and the rest of the delegation on pressing

for the tackling of poverty and the environment at one and the same time. Will she describe the reaction to the Government's firm commitment to reverse the decline in the aid budget which took place under the previous Administration?

Clare Short: I am grateful to my hon. Friend. He will know that the countries of the industrialised world and of the developing world were deeply divided when they came to the special session because the industrialised countries had failed to keep the promises that they made at Rio, where they committed themselves to eradicating poverty. It was the British delegation that re-emphasised that objective and the commitment to reverse the decline in aid. That helped to change the mood of the conference. Thereafter, the negotiators tried to use our statement wording to bring about unity in the world—and nearly succeeded.

Many British people working in the UN system said after that meeting that they felt proud of their country in a way that they had not for a long time. That is quite humbling, but it shows the role that Britain can play in the world. We can all be enormously proud of the growing links between the poorer countries and the industrialised countries, and we hope for a more civilised future in which the environment will be protected and poverty eliminated.

PRIME MINISTER

Engagements

Q1. **Mr. Bayley:** To ask the Prime Minister if he will list his official engagements for Wednesday 23 July. [8386]

The Prime Minister (Mr. Tony Blair): This morning I had ministerial meetings with colleagues and attended a meeting of the parliamentary Labour party. Later today I shall have an audience of Her Majesty the Queen.

Mr. Bayley: Based on his visit to the Nestlé international research centre in York, does the Prime Minister accept that York has become not just a United Kingdom, but a European, centre of excellence in bioscience? It has 1,500 food scientists and bioscientists working for international companies, four MAFF agencies and a university with a 5* rating in bioscience research. Does my right hon. Friend agree that York would be the ideal location for the executive arm of the food standards agency? Will he ask the relevant Ministers to consider the York bid seriously?

The Prime Minister: I well remember my visit to Nestlé. I know that York's claims to be the location for the food standards agency are strong, particularly since the Meat Hygiene Service is already located there. My hon. Friend will understand that those claims have to be considered in accordance with the usual procedures and in line with other claims being pressed on us, but I can assure him that we will give them the utmost consideration.

Mr. Hague: I am sure the Prime Minister will agree that the whole House should welcome any ceasefire in Northern Ireland which might allow people to live without the threat of terrorist violence. We all hope that it is not a cynical tactic but the beginning of a genuine and lasting renunciation of violence.

In that spirit, may I ask the right hon. Gentleman to confirm the assurance that he gave me in the House four weeks ago—that there will be no question of substantive negotiations with Sinn Fein proceeding without early parallel decommissioning of illegal terrorist weapons?

The Prime Minister: I thank the right hon. Gentleman for giving me notice that he was going to raise this topic and for the support that he has given the Government.

The position is and must remain that the ceasefire in Northern Ireland must be clear and unequivocal and tested in both word and deed.

There have been statements in certain parts of the press and elsewhere that the Government's position on decommissioning has changed. It has not changed in any way. It is our desire to see decommissioning during the course of the negotiations. It is precisely for that reason that we have put in place a scheme under which an independent commission will be established. We want a decommissioning scheme available for discussion when negotiations begin on 15 September. We are trying to find a way through the current impasse, but we will do so in a way fully consistent with the principles that we have set out.

Mr. Hague: I welcome the Prime Minister's assurance that the Government's position has not changed. Can he confirm his assurance that progress can be made only by agreement in the talks, reached on the basis of sufficient consensus, and confirm that he has no intention of seeking to impose solutions?

The Prime Minister: We certainly want to ensure that those elements of what was called by the previous Prime Minister the triple lock remain in place—that an agreement should be negotiated, not imposed, that there should be a referendum which confirms the agreement and that it should be agreed also by the British Parliament.

Things are at a very difficult stage at the moment. We welcome the ceasefire. We are not in the slightest bit dewy eyed about it; we understand the cynicism that many people in Northern Ireland must feel about it, but we still believe that it is better to have the ceasefire than not, and it is better—if we can do so consistent with principle—to have people talking rather than fighting.

Q2. **Mrs. Fyfe:** Does my right hon. Friend recognise that the worry that many of us will have about access to further and higher education will be that people might be deterred because of financial circumstances? Specifically, will he consider the issue of longer courses such as medicine and the Scottish four-year honours degree, which I very much hope will be retained? Those courses might cause considerable difficulties if we do not think carefully where we are going. I seek reassurance from my right hon. Friend on those questions. [8387]

The Prime Minister: My hon. Friend can be given those assurances. First, in relation to higher education in Scotland, we will of course consider very carefully the special position of Scotland.

Without in any way prejudging the statement that my right hon. Friend the Secretary of State for Education and Employment is about to make, I can tell my hon. Friend that there will be proper protection for low-income families. We will not tolerate people being put off going to university as a result of the means of their parents. That is point No. 1. Point No. 2 is that we want a loans system that is fair and geared to people's ability to pay. That will also be part of the settlement. Point No. 3 is that we do not want additional parental contributions. Point No. 4 is that we must get more money into our university system.

We face a clear choice. If we want to increase student numbers and raise the amount of investment in universities, and we were to do it with taxpayers' money, it would cost a very substantial amount—something that people simply would not tolerate—so we must look for a better way to do it. Dearing was set up as an all-party initiative by the previous Government.

I believe that decisions on the funding of post-16 education must be taken in the interests of the long-term future of Britain and we will not shrink from taking them.

Mr. Ashdown *rose—*

Hon. Members: Get on the other side.

Madam Speaker: Order. This is time-consuming.

Mr. Ashdown: Is not it curious that the Conservative party, which in government welcomed and called for cross-party co-operation wherever it could get it, including on Northern Ireland, now in opposition criticises it whenever anyone else engages in it? It is Conservatives' hypocrisy that lost them power weeks ago and it is Conservatives' hypocrisy that will keep them out of power for years to come.

Leaving aside for a moment the procedural wrangling, is not the central question in the Northern Ireland situation this—thanks to the courage of some Unionists at the time of the marching season and the response that we have received from some of the nationalist community, Northern Ireland now has an opportunity for peace which many believed it would not have again and which if lost now may not come again for a long time to come? Are not the wishes of the Northern Irish people and the duty of their representatives absolutely clear—to break away from the procedural wrangling and get down to the substance of the talks?

The Prime Minister: In relation to the first part of what the right hon. Gentleman said, I thought that he did rather well, so I have nothing to add. Secondly, I agree entirely with what he said about Northern Ireland. There is the opportunity for peace. I understand the concerns, especially among those in the Unionist community. I would simply say that, two weeks ago, we were being accused of betrayal and treachery by elements of the nationalist community over Drumcree. This is a difficult situation. I know why members of the Unionist party felt they had to vote against the decommissioning agreement today. I am pleased that the leader of the Ulster Unionists is not walking out of those talks. We shall try to find a way through because, in the end, that is in the interests of the vast majority of the people of Northern Ireland and that is what they want to see.

Mr. Ashdown: I am grateful for the Prime Minister's statement. Does he agree that, while the remaining months of the summer may offer a pause for reflection and for the taking of breath, unless the Northern Ireland politicians can begin to achieve together some progress once autumn comes, we may once again face failure in the whole process?

The Prime Minister: We must proceed on the basis of the principles that we set out, in particular that the ceasefire must be clear and unequivocal and the consent principle, which is at the heart of our approach to the issue of Northern Ireland. The most important thing, and the reason we want to try and find a way through the impasse of decommissioning, is that for almost 18 months talks have been going on but there have been no talks about the substance of the lasting political settlement in Northern Ireland. I am concerned to find a way through that impasse so that at long last we can talk about the nature of that lasting political agreement. There is support among the vast majority of people in Northern Ireland, at least around the two basic principles: some form of devolution—a devolved Assembly for Northern Ireland—and some form of north-south co-operation. There are tremendous disagreements about the detail of those but there is support for those two principles, so the sooner we can get on to debating the substance, the sooner we can build the lasting political settlement that we need.

Ms Moran: Will the Prime Minister join me in welcoming not only the IRA ceasefire but moves by all parties who have at their heart the interests of peace in Northern Ireland? Will he confirm that the timetable that he set out previously for the substantive talks that he just mentioned will be adhered to and will progress with all speed?

The Prime Minister: I thank my hon. Friend for that question. Not many elements in this situation command virtually an entire consensus, but one of the elements that does is the desire of all people to see us get on with the substantive negotiations. That is why we set out the timetable a short time ago. We shall keep to that timetable and we shall continue to ensure that we get it through.

Q3. **Mr. Welsh:** Is the Prime Minister aware—

Mr. Skinner: Play your cards right for a Cabinet Committee place.

Mr. Welsh: I shall try again. Is the Prime Minister aware of our concerns about welfare-to-work participants' access to choice, which will be either restricted or non-existent? Will he guarantee that youngsters will have access to all four choices before their benefits are cut from the princely sum of £38.90 to zero? [8388]

The Prime Minister: The important thing is that the choices are there for young people. There is not the choice of simply remaining on benefit because that is in the interests of neither young people nor the country. It is essential that we get those young people off benefit and into work. We are offering not Mickey Mouse schemes but quality skills, education and work programmes. We have been delighted with the response from the private sector. We believe and hope that a large proportion of the

proposals that we shall make to those young people will involve the private sector, and a range of choices will be on offer to them.

Mr. Benn: Will the Prime Minister confirm the full briefing given by No. 10 yesterday that a Cabinet consultative Committee is to be set up under his chairmanship, that Sir Robin Butler will sit on it, that Liberal Democrat Members of the House will be on it and that they will be required to sign the Official Secrets Act and thus receive information that will be disclosed neither to the House nor to hon. Members who are not party to that arrangement? Did he notice that *The Independent* this morning describes this as an unprecedented constitutional move and says that on earlier occasions, in 1931 and 1977, Prime Ministers made statements about instituting changes of this kind?

The Prime Minister: First, it is not unprecedented. My right hon. Friend mentioned some of the precedents. Secondly, in relation to the terms of reference and the membership of the Committee, parliamentary questions will be answered on that. Thirdly, even if it were unprecedented, I say that if it is the right thing to do, why not do it?

Q4. **Mr. Hawkins:** Will the parents of pupils at grant-maintained secondary schools in towns such as Uxbridge all be given a vote on whether those schools retain grant-maintained status? [8389]

The Prime Minister: Those parents will be given the same opportunities as others, under the White Paper. The proposals leave a substantial measure of control in the hands of grant-maintained schools.

Mr. Derek Foster: Does my right hon. Friend agree that the United Kingdom can prosper in the information society only if we use all the skills and talents of all our people? Does not that require driving up the quality of higher education and substantially widening access? Will my right hon. Friend ensure that, in the Government's response to Dearing, nothing will be done to restrict access to higher education of students from poor families, mature students, ethnic minority students and disabled people?

The Prime Minister: Yes, I can assure my right hon. Friend that our proposals will be designed to safeguard the position of low-income families. He will hear that clearly when my right hon. Friend the Secretary of State for Education and Employment speaks in a moment. Moreover, we have issued the proposals because we want to extend the possibility of higher education to more people. The Dearing committee was established precisely because people realised that the present system was not working. The previous Government were obliged to put a cap on the number going into higher education because of that.

It is not true to say that this is the first time the issue of tuition fees has ever been discussed. Part-time students, students in further education colleges and postgraduate students are familiar with it. We need a system that is fair, does not involve additional parental contribution, is linked to students' ability to pay and safeguards the country for the long term. That is what we will provide.

Mr. Hague: Will the Prime Minister confirm that his Welsh Assembly would have no powers over the police, even though a Scottish Parliament would have such powers?

The Prime Minister: Yes. The Welsh Assembly will not have powers in the same way as it will have powers in relation to schools and hospitals, but as I said in Wales on Friday, it will be able to debate issues concerning law and order and it will have direct influence, because local government is one of the things that will be devolved to the Welsh Assembly.

Mr. Hague: Why, then, did the Prime Minister tell people in south Wales last week that a Welsh Assembly would run the police and have powers over law and order? To use his phrase of a moment ago, if he thought that it was the right thing to do last Friday, why not get on and do it?

The Prime Minister: As I said last Friday—I have just explained this to the right hon. Gentleman—[HON. MEMBERS: "No you have not."] With all due respect to the Conservative party, perhaps Opposition Members should listen to a party that got some Welsh Members of Parliament rather than to a party that lost them all. However, Conservative Members do not like to listen, which is why they are in opposition and why they will stay there.

As I said in Wales last Friday, the Welsh Assembly will have the chance to influence law and order in the Principality but, as I made clear, there will not be the same powers as in relation to schools and hospitals.

Mr. Hague: Waffling and wriggling will not get the Prime Minister out of the question. Let me remind him of what he said.

"A Welsh Assembly means decisions about schools, hospitals and law and order can be taken here".

Why was that the Prime Minister's policy last Friday, when he was in Wales, but not this week, when he is in London? Let us get this straight. He said that the Scottish Parliament would be a parish council and then that it would not be. He promised to publish the devolution Bills before the referendums and then said that he would not. He said that a Welsh Assembly would run the police and now he says that it will not. Are not people entitled to be worried that these must be pretty ill-thought-out proposals if he cannot even understand them himself?

The Prime Minister: I repeat my answer for the third time. The Leader of the Opposition quoted one part of my remarks in relation to law and order and not the other. [HON. MEMBERS: "Aah."] If he reads my comments, he will see that that is so. As to devolution more generally, the Conservative party has just agreed that there should be a Londonwide body, with an elected mayor, to oversee the governance of London. Let me quote the leader of Wandsworth council. [HON. MEMBERS: "The question is about Wales."] Opposition Members do not want to hear

it. He said that it was time that Londoners had a voice for London. If it is good enough for London, why is it not good enough for Wales?

Mr. Campbell-Savours: Will the Prime Minister congratulate our right hon. Friend the Minister of Agriculture, Fisheries and Food on the tough and effective way in which he negotiated a deal in Europe on bovine spongiform encephalopathy and beef imports? Does not it show that the way forward is to sit down and talk to the Europeans, who then respond positively?

The Prime Minister: I congratulate my right hon. Friend on the agreement that he secured last night. My hon. Friend the Member for Workington (Mr. Campbell-Savours) is absolutely right to say that that is the proper way to negotiate. Moreover, the agreement negotiated by my right hon. Friend was precisely the agreement that the previous Government tried, and failed, to negotiate. Once again, we are showing the way to govern.

Q5. **Mr. Streeter:** I am sorry that the Prime Minister is having such a bad day. *[Interruption.]* Perhaps I can ask him an easier question, which he might be able to answer. What did he mean when he said in Scotland that sovereignty would rest with him, as an English Member of Parliament? [8390]

The Prime Minister: As I explained a million times at the time, sovereignty remains with the United Kingdom Parliament, of which both the hon. Gentleman and I are Members—in case he had not noticed.

Mr. Radice: Following the speech by my right hon. Friend the Chancellor of the Exchequer at Chatham house last Thursday, will my right hon. Friend the Prime Minister tell the House what steps the Government are taking to introduce a national debate on the pros and cons of a single currency?

The Prime Minister: The measures that we are taking were set out in the Chancellor's speech. It is important that we have a proper national debate about the issue, because it will affect us, whether we are in or out of the single currency. It is therefore important to ensure that the business and financial sectors and others are fully prepared while the Government retain the option of whether to join.

Q7. **Mr. Swayne:** Can the Prime Minister really be satisfied with the fact that, yesterday, his senior ex-ministerial colleague, the right hon. Member for Swansea, West (Mr. Williams), described his Welsh devolution proposals as a "constitutional mystery tour"? [8392]

The Prime Minister: I have not come across the hon. Gentleman before, but I gather from my hon. Friends that virtually everything is a mystery to him. I prefer the words of the Conservative Welsh Office spokesman in the Lords until 1994, who said:

"The current status quo is untenable . . . The Assembly is the only way forward that is on the table."

Ms Keeble: Will the Prime Minister join me in welcoming the results of the Nationwide building society ballot, which found three to one in favour of the existing directors and therefore of the building society's retaining its mutual status? Does he agree that that is a sign that many people are turning away from the quick buck and towards more long-term care in their financial planning?

The Prime Minister: I agree with my hon. Friend. I was delighted to see the result and I think that the right decision was made.

Q8. **Mr. Richard Allan:** Is the Prime Minister aware of the legal advice given recently to the World Development Movement that the Government could cancel, without penalty, export licences granted by the previous Government? In view of that advice, will he confirm now that no more Hawk jets will be exported to Indonesia? [8393]

The Prime Minister: No. The Foreign Secretary has made it clear that he will take a decision on this in respect of the criteria that we have already laid down. If there is any decision to revoke licences, it will, of course, be notified to the House, but the position is not as the hon. Gentleman just set it out.

Mr. Reed: May I congratulate my right hon. Friend—[HON. MEMBERS: "Reeding."] I think that Opposition Members should—[HON. MEMBERS: "Reeding."] May I congratulate my right hon. right Friend on delivering our election promise for Scottish and Welsh devolution? Does he share my belief that the people of the English regions, including the best known and well-loved east midlands region, should benefit as soon as practicable from the same benefits as will result from the Scottish Parliament and the Welsh Assembly?

The Prime Minister: My hon. Friend should not be put off at all by the jeering of Opposition Members. Whenever we talk of keeping election promises, they do not quite understand it. It is an alien language to them, but we are trying to tutor them.

In relation to devolution and decentralisation, yes, it is important that decentralisation happens in English regions as well. That is why many parts of business and industry are co-operating with local authorities in the east midlands, the north-east and elsewhere. They think that it is in the interests of their region. That is a better way than the government by quango that we suffered under the Conservatives.

Q9. **Mr. Burstow:** Is the Prime Minister aware that the Royal College of Nursing is about to ballot its members at St. Helier NHS trust hospital in Carshalton over the possibility of working to contract to demonstrate their concerns about the pressures on the accident and emergency department at that hospital? Does he accept that the RCN would not be undertaking such an initiative unless it had grave concerns about that department? Therefore, can he give my constituents an assurance that, this winter, they will not face the prospect of waiting for hours on hospital trolleys as they did last winter under the previous Government? [8394]

The Prime Minister: It is precisely for that reason and because of the difficulties experienced by many hospitals throughout the country that we have pledged to put

£1.2 billion—[HON. MEMBERS: "Next year."]—next year into the national health service. That allows health authorities to plan ahead to a far greater extent than at present and it is why we have got rid of the wasteful, inefficient, Conservative internal market, so that money that is spent in the national health service is spent on patient care rather than on more accountants and bureaucrats, which is what happened under 18 years of Conservative government. I say to the hon. Gentleman and to people in the health service that it will take time to put it right, but at least they have a Government who are starting to put it right. I think that they welcome that.

Mr. Gapes: Does my right hon. Friend agree that the proposals of United Nations Secretary-General Kofi Annan for a fundamental modernisation of the United Nations deserve widespread support throughout the world and that there is now no excuse whatever for the United States Congress to block repayment of the arrears that they owe?

The Prime Minister: As I said in the House, I think a week ago, we very much support the reform programme of the Secretary-General, Mr. Kofi Annan, and want to see that the arrears of the United States are properly taken care of. We believe that that is possible. There is a different mood about since the reform programme was started by the Secretary-General. We will play our full part in ensuring that the arrears are cleared and that the Secretary-General's reform programme is put through.

Q10. **Mr. Evans:** What action is the Prime Minister taking to assist international hauliers based in this country? As he knows, they have been hit by the high value of the pound, which is making them less competitive with their foreign competitors, and that has been exacerbated by three interest rate rises since the Government took power. They have also been hit by strikes in Greece, Spain and France, where their lorries either could not work or, even worse, were damaged. These British companies are still waiting for compensation to come through. We have all heard about this wonderful new co-operation that the Prime Minister has with our European neighbours. Will he now sit down with his European counterparts and ensure that these British companies get their compensation? [8395]

The Prime Minister: I am delighted that the hon. Gentleman recognises the benefits of a co-operative approach. We will do our best to do what he says. We are of course trying to obtain compensation; we are also trying to clean up the very significant mess that the last Government left for us in respect of compensation and other matters.

Let me take up what the hon. Gentleman said about interest rates. The plain fact is that interest rates have had to go up because the Government he supported failed to take the necessary action. They failed to take it on the Budget deficit and they failed to take it when inflation began to come back into the system. We will not go back to the days of Tory boom and bust. This Government will run the economy efficiently.

North-east Wales (Visit)

Q11. **Mr. Barry Jones:** To ask the Prime Minister when he proposes to visit north-east Wales. [8396]

The Prime Minister: I was in Wales last Friday. I have no immediate plans to visit north-east Wales, but I should be delighted to do so at a later time.

Mr. Jones: May I persuade my right hon. Friend to visit the British Aerospace Airbus factory in my constituency, which employs 2,800 of the most successful and skilful aeroplane makers imaginable? Is my right hon. Friend aware that they make the wings of the European Airbus and hope to make those of the future large aircraft? Do the Government intend to ensure that that project becomes airborne? My constituents want it to be backed by Britain, so that they can make the wings of the aircraft.

The Prime Minister: We strongly support the Airbus project. I pay tribute to my hon. Friend and to all the employees in his constituency and elsewhere who have contributed so much to it. If there is any application for assistance we shall, of course, have to consider it in the normal way, but we are fully behind the project. It is a very exciting project for the future and it will help to guarantee that the skills that are so desperately needed for the economy will remain in this country.

Higher Education

3.31 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): With permission—*[Interruption.]*

Madam Speaker: Order. Let me obtain a little quiet for the Secretary of State. Will hon. Members leaving the Chamber please leave quietly and quickly? We are waiting to hear the statement.

Mr. Blunkett: With permission, I wish to make a statement about the publication today of the report of the National Committee of Inquiry into Higher Education.

The Government are very grateful—as I am personally—to Sir Ron Dearing, the chairman of the inquiry, and to the 16 members of his committee. Their work has been completed in record time, and in a manner for which we are all extremely grateful.

Today, the Government announce a new deal for higher education, involving new funding for universities and colleges, free higher education for the less well-off, no parent having to pay more than at present and a fair system of repayment linked to ability to pay.

Our university system is in crisis. Our competitors in north America and the far east—the Asian tigers—have many more young people in higher education. In the United States, the proportion is about 40 per cent., and in Canada it is 44 per cent. Those countries recognise the need to invest in their people, mirroring the investment in fixed capital and equipment of the past. Such countries are expanding higher education rapidly. Business in this country recognises that need as well.

One young person in three now enters higher education, compared with one in 20 in the early 1960s. Half the students in higher education are over the age of 21, and a third of them are part time. Public funding per student has fallen by about 25 per cent. over the past decade, with consequences for the quality of teaching, seminar work, materials and investment. Yet the increase in participation among socio-economic groups A to C has been double that of groups D and E. The present system is clearly not working.

The same level of funding for students today as existed in the 1970s would cost the taxpayer an extra £4 billion per year. That level, with increased participation—towards 40 per cent.—would cost an additional £2 billion by 2015. Taken together, such changes would add up to 3p in the pound to the basic rate of tax.

The previous Government placed a cap on the expansion of higher education, created the present mix of loans, grants and parental contributions and failed to address the financial implications of the further development of the sector. However, with cross-party agreement, they established the Dearing inquiry, accepting that the status quo was no longer an option. Everybody recognised that our higher education system was in dire need of attention. It has faced both funding problems and huge anomalies.

Tuition is free for some, but 500,000 part-time students in higher education and many of the 2 million further education students are expected to pay fees and receive little or no maintenance support.

The committee was given the task of ensuring maximum participation in higher education, enhancing standards and quality and ensuring fair and transparent means of student support, while obtaining value for money.

The Government endorse the aims and purposes of higher education set out by the committee, building on the Robins committee report of 30 years ago. "Higher Education in the Learning Society" is a coherent and thoughtful report that provides a vision of the future.

The committee's recommendations cover the local and regional role of higher education, the qualifications framework, academic standards, the role of information technology, management and governance of institutions and the quality of teaching and research. We shall consider those recommendations over the summer.

We welcome the committee's proposals for widening participation, including its emphasis on groups that are currently under-represented. Later this year, we shall set out our comprehensive response in a White Paper on lifelong learning. Today, I shall give an initial response to set out a clear direction.

The committee recognises that we cannot afford further improvement or expansion of higher education on the basis of current funding arrangements. Students should share both the investment and the advantages gained from higher education: rights and responsibilities go hand in hand. The investment of the nation must be balanced by the commitment of the individual: each will gain from the investment made. Graduates gain considerably from higher education. Compared with non-graduates, graduates see their earnings rise on average by as much as £4,000 for every £20,000 of earnings.

Dearing believes that the present loan system is unfair, unworkable and ineffective. He recommends that loans should be paid back over a longer period to help poorer students; that parents should not be asked for higher contributions; that a £1,000 tuition fee for everyone—which is roughly 25 per cent. of the average cost of a course—should be added to the loan; and that some element of maintenance grant should be retained.

We accept a great many of the broad principles laid out by Sir Ron. We intend to build on the committee's preferred option, and to take it together with the proposal in our policy statement, "Lifelong Learning".

We must develop a more efficient system than the present confusion of loans, grants and parental contributions. For lower-income families, instead of the remaining grant, students' living costs will be covered by a maintenance loan of the same value as the current grant and loan package. An additional maintenance loan equivalent to the tuition fee will be available to students from higher-income families. We shall, however, ensure that the poorest students do not have to pay fees. That is the best way of encouraging access to free education for the least well-off. We are equally determined to ensure that there is no increase in parental contributions.

Our response to Dearing ensures that fees and maintenance together do not place an increased burden on middle-income families. At present, parents are expected to contribute up to £2,000 for maintenance.

The committee proposes that repayments should be made on an income-contingent basis. We accept that, but the committee's funding options also assume that

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repayments should begin when a graduate's income reaches £5,000. We do not believe that that is acceptable. We shall consult on a higher starting point for repayment. We also believe that repayments should be over a longer period and set at a lower level of annual repayments than is proposed by the committee. A supplementary hardship loan of £250 per year will also be available.

We are also minded to accept the committee's recommendation that students with special needs should receive the specific grant on a non-means-tested basis. We shall consider the need for appropriate measures, such as bursaries for students entering teacher training and some health and social care professional courses. Employers in other fields may wish to consider similar measures.

We intend that these proposals should apply to all new students and we are examining how best such changes might be phased in. In addition, I assure the House today that top-up fees play no part in the Government's proposals. No university or college should proceed on the basis of introducing such additional fees.

The Government will also be considering how the new arrangements will apply to the particular situation of higher education in Scotland.

The proposals will mean more money for universities. The Government will ensure that savings are used to improve quality, standards and opportunity for all in further and higher education. Change is essential if we are to maintain the skills and research base of our country. We cannot defer action to another generation. Our preferred solution secures equity, access, quality and accountability. Our proposals retain the principle that repayments should be made on the basis of future income, not present circumstances.

Today's report presents major challenges, which every Member of this House will have to address. I recommend to the House that we take on this challenge with clarity and courage. To do otherwise would be to betray the next generation. Building on the report, we shall produce a system that will be fair, and will be good for students, for parents, for the universities, for business and for Britain.

This Government are facing the future with confidence. We have the will to take the difficult decisions and to ensure the investment needed for the future of our nation.

Mr. Donald Gorrie (Edinburgh, West): On a point of order, Madam Speaker.

Madam Speaker: Order. I take points of order after statements. I shall call the hon. Gentleman then.

Mr. Stephen Dorrell (Charnwood): I thank the Secretary of State for sending me an advance copy of Sir Ron Dearing's report. I echo the right hon. Gentleman's thanks to Sir Ron and his committee for a huge piece of work on the future of our higher education system.

That is the end of the facts. The right hon. Gentleman should be aware that his statement will be met with widespread disappointment, not only on the Benches behind him but throughout the higher education world. That disappointment will turn to anger when people realise the scale of the lost opportunity that the Government have allowed to pass and the scale of the right hon. Gentleman's defeat at the hands of the Chancellor of the Exchequer and the Treasury.

The consistent theme of the Chancellor is, in the words of Fagin to the Artful Dodger, "You've got to pick a pocket or two." First the Government picked the pockets of the pension funds, then on Monday they picked the pockets of the national lottery and now they are picking the pockets of students and their families from the low-income sections of our community.

Sir Ron Dearing's committee was established with bipartisan support. The committee was established because both the former Secretary of State, my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard), and the right hon. Gentleman recognised that higher education had expanded under the previous Government. They wanted a review of the structure of higher education, to allow it to proceed in the next 30 years on an affordable basis, as the Robins report had done 30 years ago.

Sir Ron Dearing's committee produced 400 pages of important recommendations, and we heard the Secretary of State's reaction to only one of them—and that was to reject it. What does he have to say on the objectives set out in Sir Ron Dearing's report, on increased participation by young people in university and higher education? Does the Secretary of State agree with those objectives? We did not hear that. Does he agree with Sir Ron Dearing and his committee that we should introduce a more flexible structure of qualification following higher education? We did not hear that. Does the Secretary of State agree with Sir Ron Dearing and his committee that we need a review of the settlement of academic pay? We did not hear a word about that from the Secretary of State.

I believe that I am right in saying that the word "research" hardly touched the Secretary of State's lips this afternoon. He set out nothing in response to Sir Ron Dearing's recommendations on the future of research in higher education. In particular, Sir Ron Dearing sets out his assessment of the extra resources needed in higher education from next April. His figure is £350 million. Do the Government agree with that figure? If they do, where is the money coming from? If they do not, where do the Government disagree with Sir Ron Dearing and his committee? To none of those questions did the Secretary of State give any form of answer.

The Secretary of State said in his statement:

"The proposals will mean more money for universities."

The vice-chancellors, academic staffs and student bodies of British universities want to know from the Secretary of State this afternoon how much money he is promising them, or is it simply another vague promise that will be delivered some time or never?

In his statement, the Secretary of State answered only one question, on undergraduate finance. He was crystal clear, and said:

"For lower-income families, instead of the remaining grant . . . costs will be covered by a maintenance loan".

It is in black and white. It is a one-off hit of an extra £5,000, which has to be found by lower-income students and their families. That is the right hon. Gentleman's policy: extra state guaranteed loans for well-off young people from Islington and a kick in the teeth for low-income families from Sheffield. It was a policy that was specifically examined and specifically rejected by Sir Ron Dearing and his committee, because it was thought to be inequitable and inconsistent with the objective that the right hon. Gentleman set out at the beginning of his statement—that of widening access.

Is the Secretary of State aware that his statement is a major lost opportunity for British higher education, and a shabby and opportunistic smash-and-grab raid on the budgets of low-income families?

Mr. Blunkett: I am deeply disappointed at the right hon. Gentleman's response. We established all-party agreement on the setting up of the Dearing inquiry, and we set Sir Ron and his committee a difficult task. I have grasped the nettle of picking up on the recommendations in that report, together with our own proposals in "Lifelong Learning", which were put to the electorate on 1 May. Those proposals included changes to the maintenance and grant system.

We have taken Sir Ron's recommendations and built on them, to ensure that no low-income student has to pay fees in higher education; that there will be an additional contribution through a loan of £250; and that we protect those in teaching and health. We have, in essence, taken on board the thrust of the principles that Sir Ron laid out, but built on them to ensure that even more money will be available over the next 20 years.

The right hon. Member for Charnwood (Mr. Dorrell) accuses me of not understanding or not appreciating the needs of low-income families. I do, because I came from one. I know that what is necessary for the future is to be able to offer young men and women the opportunity to go into higher education as we lift standards in schools. If we do not put more money into higher education and if we lift access, and cannot respond to that demand, it is precisely the low-income groups that will be excluded.

I repeat to the right hon. Gentleman what I said in my statement. Over the past decade, the participation of those in socio-economic groups D and E, to which he referred, has increased by only half of that of higher-income groups. It was precisely for that reason that Sir Ron recommended increased access. I ask the right hon. Gentleman not to come to the House simply to criticise us for what he ridiculously called opportunism, when he has not a single answer to the question of raising the funds that are needed.

We have grasped this difficult nettle, we have taken on the challenge of expansion and of ensuring that young people have opportunities for the future, and yes, we have given a commitment that the resources will go into universities and colleges. I challenge the Opposition to say where they stand, what future this country would have had under their proposals and why they are ducking the opportunity for consensus in going forward on proposals for investment for our country.

Mr. John Gunnell (Morley and Rothwell): I am conscious that my right hon. Friend has given a positive statement. Will he particularly consider the position of part-time students who are currently paying fees? As he will know, that group was especially failed by the Conservative party. Will he assure me that, in considering the proposals, he will offer those students a better deal than they would have had if the Conservative party had been responding to the report?

Mr. Blunkett: My hon. Friend is quite right. As part of the review and the White Paper on lifelong learning to which I referred, we shall come back with proposals for helping part-time students.

I say to everyone who criticises what we are doing, "Where were you when 500,000 part-time students had no support at all? Where were you for the 2 million adults in further education who have had to pay fees? Where were you in those inequities and injustices?" I agree with my hon. Friend that we must grasp the issues together.

Mr. Don Foster (Bath): We echo the Secretary of State's thanks and congratulations to Sir Ron Dearing and his team, and join the right hon. Gentleman in his belief that there is an urgent need to increase the resources available for higher education, to raise quality, to extend and widen access, and, as he rightly said, to provide more support for part-time students. That is particularly necessary after the 40 per cent. cut in funding per student in higher education in the previous Conservative Government's lifetime. It certainly ill behoves the shadow Secretary of State to talk about "picking a pocket or two". The Conservatives certainly did in relation to higher education.

Is the Secretary of State nevertheless aware that we remain to be convinced of the need to introduce tuition fees for those who currently do not pay them? Although we recognise that there is a need for students to contribute more to higher education, we believe that it can be done by the conversion of the mandatory grant into a means-tested loan. Combined with additional support from employers and the state, that could meet all the Secretary of State's aspirations.

I ask the Secretary of State especially whether he will ensure that every single penny of the money raised, from whatever source, will be redirected into tertiary education and not siphoned off for other Treasury purposes. In his support for part-time students, will he consider making a loan available to them? After the Prime Minister's comments only a few minutes ago, will the Secretary of State ensure that students in Scotland do not suffer unfairly because they are pursuing four-year degrees? Finally, to attempt to reduce the problems of student poverty that are currently leading to one in eight students dropping out of higher education, will he consider extending and increasing the amount of the maintenance loan?

We welcome many of the aspects not only of the Dearing report but of the Secretary of State's statement.

Mr. Blunkett: I am grateful to the hon. Gentleman for his comments, and I appreciate the way in which he made them. I appreciate also the difficulty that all political parties face in addressing those difficult issues.

The Government are mindful of people on lower incomes, which is why we shall waive tuition fees for them. We are mindful also of the issues that have been raised about part-time students, and, in the autumn, we shall introduce proposals to address those issues. As I said, we appreciate that there are special issues in Scotland. Some students in England and Wales, too, are on courses lasting four years or more. On the issue of funding, I can only reiterate what I have already said twice today: the entire objective in taking our difficult decisions has been to put higher education on a firm footing for the next two decades. We appreciate the way in which the Liberal Democrats are approaching the issue, and we are happy to work together with them.

Mr. Dennis Canavan (Falkirk, West): How can a Labour Cabinet that includes so many beneficiaries of

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Harold Wilson's comprehensive system of university grants even contemplate kicking away the ladder of opportunity from so many present and future students, by depriving them of grants and forcing them to pay tuition fees? Does the absence from the Treasury Bench of any Scottish Office Minister show that, for Scotland, the Government's reactionary proposals will be transferred to a Scottish Parliament—which, I hope, will kick them into the bucket where they belong?

Mr. Blunkett: I understand my hon. Friend's strength of feeling and the nostalgic view of a time when only one in 10—actually one in 20—people went to university. People from the area where I was raised never dreamt of going to university, and if we do not expand higher education, many of them will still not get there.

I do not want tears for the working class, because I am one of them. I want decisions and action to protect the poorest people, so that they will not be denied access and so that they will not have to pay fees. I have already made it clear that availability of hardship loans will be extended. Above all, I want to ensure that we do not wring our hands about the privileged at university, while ignoring those in further education who do not have the benefit of earning, on average, one fifth extra in salary over their lifetime.

Mr. Robert Jackson (Wantage): I am sorry to dissent from the line being taken by my right hon. Friend the Member for Charnwood (Mr. Dorrell), but I congratulate the Government on the statement. Of course, the devil will lie in the detail—which we have yet to see—but I believe that the Government have taken a courageous decision, which should be supported by everyone who has universities' interests at heart. I ask the Secretary of State an important, detailed question: can he give a categorical assurance that the Government will not attempt in any way to limit the existing freedom of our colleges and institutions of higher education to charge tuition fees?

Mr. Blunkett: I very much welcome the hon. Gentleman's welcome for our statement, given his knowledge and background as a former Minister. Given the extent of what we have announced this afternoon and the commitment to investment in the universities, we have to make it clear that we cannot have a freebooting system, in which top-up fees help some at the expense of others. I understand the strong feelings of those in universities who believe that they could raise lots of money independently from the state, but that would be done at the expense of a comprehensive and coherent university system.

Mr. Bill Rammell (Harlow): Following the previous question, I hope that we intend to stop universities charging top-up tuition fees, and that we shall explore legislation to ensure that that does not happen. Many of the elite institutions are already extraordinarily socially exclusive, and the introduction of further discretionary top-up fees for individual institutions would make that much worse.

Mr. Blunkett: We shall explore whatever is necessary to ensure equity in the system. I say to the university vice-chancellors who have mooted top-up fees that they cannot have it both ways. They cannot threaten to introduce top-up fees because the Government have not addressed their financial needs, including investment in the future, and then introduce top-up fees when the Government have grasped the nettle.

Mr. John MacGregor (South Norfolk): We shall obviously have to see the details of the Dearing report, but does the Secretary of State recognise that his acceptance of at least some of the Dearing proposals on financing shows that we were right in the late 1980s and early 1990s, and that his party's approach, especially on student contributions, was wrong? What will be the public expenditure profile on education for the next five years, as a result of the announcement? Does the Secretary of State agree that one of the most important areas of the Dearing report is the maintenance of standards and qualifications as we expand higher education yet further? What does he intend to do about the proposals in that respect?

Mr. Blunkett: I respect the right hon. Gentleman's commitment and knowledge, but the criticisms we made—about the payback period, the lack of a contingent, progressive nature of the loans and the amounts levied on those on relatively low incomes—still stand. The progressive nature of our proposals will ensure that people on less than £20,000 a year will be expected to pay less on average than such people currently pay. I accept that we shall need to spell out in the White Paper the profile of the investment and expansion that will be required in the years ahead. I shall not do that this afternoon, because our proposals need to be integrated with the Dearing proposals. Sir Ron's proposals raise differing sums depending on the income-contingent basis and the starting point for the loans.

Charlotte Atkins (Staffordshire, Moorlands): I represent a constituency with many low-income families. How will the Secretary of State's proposals maintain the principle of free education for the poorest students?

Mr. Blunkett: Anyone from a family with an income of less than £35,000 will receive some contribution towards their fees. Anyone from a family with an income of between £16,000 and £23,000, depending on the discounted elements of that income—which at the moment, remarkably, include mortgages but not rents, and child care costs for the better-off but not for the poor, because of the way in which they are applied—will not pay the fee at all. Therefore, they will be protected. What is more, the existing loan, translated into our new contingent loan scheme, will result in lower-income graduates, when they are earning, paying less than they do at the moment.

Mr. Phil Willis (Harrogate and Knaresborough): Expanding access and numbers in higher education will be of little value without quality. We welcome in particular Sir Ron's proposal for an institute. What role does the Secretary of State expect the profession to play in that institute? Will it be the commanding role of regulating itself?

Mr. Blunkett: I am pleased that the hon. Gentleman has raised that. Involving the profession in developing the

role of the institute for learning and teaching will be critical. Many students have said to me that the issue that worries them most is the deterioration in quality—or, in some isolated cases, the lack of commitment—of those who are teaching them. The quality of teaching, as well as maintaining the quality of research, is crucial in higher education. Involving those in the teaching profession and ensuring that they are equipped to do the job will be a great gain for our students of the future.

Mr. Derek Foster (Bishop Auckland): Some in the House will know that I have some respect, and even a little affection, for the right hon. Member for Charnwood (Mr. Dorrell), who leads for the Tory party on education. However, he lost the plot this afternoon, as he frequently did during the general election campaign. No one is better placed than my right hon. Friend the Secretary of State to deal with these extremely difficult problems, and he is tackling them courageously. His struggle for an education, as someone from a poor family, and handicapped person at that, is an inspiration to us. I have total confidence that he will deal with the problem, protect poor families and expand access to higher education.

Mr. Blunkett: I am grateful to my right hon. Friend. In thanking him for his comments, I say to those on the Government Benches who remain unconvinced, many of whom also experienced further education and evening classes, that when we went to university, we found mainly the privileged there. Regrettably, over the past 40 years, the profile of those going to university has changed by only a fraction. If we commit ourselves to opening up access to those who have been traditionally excluded, we shall achieve a lot more than hand-wringing.

Mr. Andrew Welsh (Angus): How can the Secretary of State argue that he is increasing access to higher education by introducing a means test? Will he put a stop to higher tuition fees in Scotland until a Scottish Parliament has had a chance to consider the issue from a Scottish perspective? What guarantees can he give that access to the traditional four-year Scottish honours degree will not be restricted and that the structure will not be destroyed? Why are we not having a Scottish statement, to find out what is happening to our education system?

Mr. Blunkett: As the hon. Gentleman knows, higher education has always been dealt with UK-wide—

Mr. Welsh: No, it has not.

Mr. Blunkett: Under the framework of grants and loans. I have said that special consideration will be given to Scotland, where students taking highers have often done only one year before entering university. That is different from the four-year courses that exist south of the border. That is why we have said that special consideration will have to be given.

Mr. Gerry Steinberg (City of Durham): I welcome most of the recommendations of the Dearing report and understand the Government's difficulty with the higher education funding mess that was left by the previous Government, but I am still a little sad that it has been deemed necessary to introduce tuition fees. Will my right hon. Friend convince me that the proposals will increase access to higher education and that students from working-class backgrounds will have a better opportunity of getting into higher education? If he can convince me of that, I shall support him, but if he cannot, I shall not support him.

Mr. Blunkett: I understand what my hon. Friend is saying. We have a task together over the years ahead to ensure that we pick up the positive recommendations in the early part of the Dearing committee report, which indicate that we should examine—we shall do so over the summer and autumn, and report back to the House—how we can target resources for institutions that are paying specific attention to groups that have been excluded, including those in geographic areas that are massively under-represented. We must also look at the necessary action to be taken within schools and colleges to raise the expectations of those young people and their families.

I want to make it clear that this is not solely about what is now a minority of students who enter higher education at 18 or 19; it is also about encouraging mature students to come back into lifelong learning. We must pay attention to that, if we are not to write off generations that lost the opportunity which we were glad to accept.

Mr. Tim Boswell (Daventry): Leaving aside the Secretary of State's carefully crafted efforts to conceal the fact that there are now record numbers of students with a better socio-economic participation than ever before, does he agree that the essential issue is the cash that is available for the higher education sector? Given that he has announced what amounts to a deferred student windfall tax, will he give an undertaking to the House that the resources will be fully recycled into the higher education sector?

Mr. Blunkett: I have given a clear indication this afternoon of the investment in universities and colleges, and the whole purpose of the exercise upon which we are embarking has been to achieve that goal. I want to make it clear that we are not charging students at the time they are students. We are relating what they have to pay to their ability to pay at a point in the future when they have become better off because of the higher education that they have received. Until hon. Members and those outside the House are able to understand that essential point, they will continue to stand on picket lines, mouthing platitudes with the Socialist Workers party.

Mrs. Anne Campbell (Cambridge): Despite the welcome proposals for alleviating poverty among students from low-income families, does my right hon. Friend accept that some students might be reluctant to take on such a high burden of debt so early in their lives? Has he given any consideration to how the proposals might alter the patterns of demand for higher education, with more students choosing to live at home, more choosing to take advantage of the more generous option for part-time courses than has been available previously and more choosing distance learning—studying from their own homes?

Mr. Blunkett: My hon. Friend has raised a number of interesting issues, not least that of distance learning, which is a good, not a bad thing. It will be part of aiming learning at the individual rather than at institutions. I think

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that it will increase participation and help to gain agreement and commitment to education from a much broader spectrum of the population. If it encourages people to earn and to learn part time, it will be welcome, so long as we do not end up with a few extremely affluent and high-status institutions taking students of a different type from the rest of the university sector. I hope that we can avoid that by linking universities together, as Dearing recommends, so that they can co-operate and collaborate rather than compete with each other.

Mr. Eric Forth (Bromley and Chislehurst): I welcome the general thrust of the Dearing report and much of what the Secretary of State said. Will he pause and reflect on two things of great importance? May I ask him not necessarily to accept the shibboleth that the more people who go into something called higher education, the better, but to consider whether a university degree is necessarily something that a third of the population or even more can get and that sub-degree qualifications may be more relevant to the idea of lifetime learning and the needs of business? May I ask the right hon. Gentleman also to pause and think further about liberating the institutions and enabling them to consider what fees, whether higher or lower, they wish to charge, in order to provide students with a range of options as to the financial commitment that they might wish to undertake? That would increase student and consumer choice and keep the institutions much more on their toes.

Mr. Blunkett: I am grateful for the opening remarks of the right hon. Gentleman, as someone who served in the Department for Education and Employment. I cannot agree with his last remarks about universities doing their own thing, for the very reasons that I spelt out earlier. I make it clear that I am not in favour of an ivy league—I want universities to co-operate. I want access to be available for all students—whatever their background, income or geography—to all institutions without a top-up fee. I believe that we can achieve that. We can achieve it on the back of the decisions that we are taking, so that we can raise and invest the money necessary to make it possible.

Mr. Gordon Marsden (Blackpool, South): As someone who taught for a number of years in the Open university, I am sure that students there and elsewhere will be reassured by my right hon. Friend's emphasis on that sector. We shall look for further details in due course. May I ask specifically what consideration he has given and what proposals he currently has to give extra help to those who are already facing hardship within the maintenance system?

Mr. Blunkett: Sir Ron raises the issue of how we might extend the available hardship payments. I am very sympathetic to looking at the transition between the present system—the mish-mash that currently exists—and the new system as we introduce it. It would be fair to do that.

Mr. Roy Beggs (East Antrim): While I believe that access to loan funds is no substitute for grants to students, I nevertheless welcome the Secretary of State's statement that there will be a concentration of public funds to the benefit of students from poorer families. I also welcome the attention paid to the needs of Northern Ireland. However, will the Secretary of State seek to ensure that sufficient additional funding is made available, so that all the students in Northern Ireland who gain entry qualifications to higher education in England, Scotland and Wales will have opportunities that are at least equal to those enjoyed by the 2,500 students from the Republic of Ireland who obtain places in Northern Ireland, whose tuition is paid for by the British taxpayer? Will he look at that matter further? I was a bit surprised that Sir Ron Dearing and his committee did not address that burden on British taxpayers, whereby tuition fees are paid, for students from other EC countries.

Mr. Blunkett: I am grateful to the hon. Gentleman. I am aware of the different circumstances in Northern Ireland, including the higher take-up rate of higher education in working-class communities and the need to be able to sustain that. The proposals that we lay out will apply to all European Union citizens, and one of the ironies may well be a cross-border flow into the Republic, rather than the other way round, on a temporary basis. However, I understand that the students unions in the Republic are not happy with the system that was introduced two or three years ago, on the ground that we are advocating this afternoon—that it is not raising the status, standing and quality of teaching in the Republic. We might, therefore, be able to resolve the issues raised by the hon. Gentleman in a positive fashion.

Mr. Barry Sheerman (Huddersfield): I congratulate my right hon. Friend the Secretary of State and the whole of the Dearing team, including the Policy Studies Institute and others, who have produced the report, although I have not had the benefit of reading it. My right hon. Friend has said that we have grasped the nettle. That nettle was too difficult for the right hon. Member for Charnwood (Mr. Dorrell) to grasp. How do we fund higher education for a new swathe of young people in our country? Every piece of research that I have read shows that the money has to come from the beneficiary: the taxpayer cannot and will not pay it, but the beneficiary should pay it, because he or she gets an education that fits him or her for life. That is one of Dearing's central principles, and it is a good one.

Dearing is also concerned with quality, which is most important. So, too, is accessibility. We need to change the culture in many of our schools. Many children do not see higher education as even a remote possibility—

Madam Speaker: Order. It is about time I heard a question to which the Secretary of State can respond.

Mr. Sheerman: I was just coming to one, Madam Speaker.

Madam Speaker: The hon. Gentleman has already done rather well, and time is pressing. Secretary of State.

Mr. Blunkett: I agree with my hon. Friend's last point, which I shall treat as a question. In my hon. Friend's own area, the West Riding, Alec Clegg got more students from

the schools into university during the 1960s and 1970s than manage to get there today. Given the expansion in higher education since then, that is a disgrace.

Mr. Ian Bruce (South Dorset): The right hon. Gentleman may wish to know that the former Government did not introduce 100 per cent. loans because Back Benchers refused to accept that that was achievable—politics is the art of the possible. Will he confirm that a student today can take out a loan of £1,500 a year during a four-year degree course, and will have to pay back £6,000; whereas under his proposals, for a maximum loan of £4,500 over a four-year period, that student would have to pay back £18,000?

Mr. Blunkett: No, we should compare like with like. The figure is £10,500, on the exemplifications that we have at the moment—with that codicil added because the trigger amounts make a difference to the repayment amounts and hence to the long-term debt.

Mr. John Cryer (Hornchurch): I fail to see how these measures will widen participation in higher education, mainly because they mean an end to free universal higher education—an idea for which the Labour party and the Labour movement fought for decades. The proposals mean young people taking on large debts early in their lives.

Does my right hon. Friend agree that the proposals will lead to a division between universities and colleges? Some will offer bargain-basement courses to poorer students, while the better-off universities such as Cambridge, Durham and Oxford will charge high fees.

Mr. Blunkett: It is precisely to avoid that problem that we are bringing in this system instead of top-up fees, which universities claim they have the freedom to introduce willy-nilly under current law. So the truth is the very opposite of what my hon. Friend fears. The idea that graduates, who earn at least 20 per cent. more than their counterparts who are non-graduates, are poor does not hold water. We should save our tears for those who, for donkeys' years, got up at 5 o'clock in the morning to do cleaning jobs so as to pay the taxation that allowed some of us to do very well indeed.

Mr. Ian Taylor (Esher and Walton): Sir Ron Dearing's report seems almost as radical as many of us had hoped. The Secretary of State is to be congratulated on grasping some of its radical aspects, including the deferred contribution of students to tuition fees.

Will the right hon. Gentleman give us a little more information on other crucial aspects of the report, such as research expenditure and contributions to infrastructure expenditure? Does he agree that universities are and should be available to all, but that it is equally important to establish internationally recognised scholarship and research? Does he agree that certain universities and departments will have to make a great deal of effort and will require extra resources if they are to stand up to international competition?

Mr. Blunkett: I am tempted to just say yes, because I agree with that point entirely. There is certainly a crisis in terms of equipment and the capacity to undertake research, and in terms of the buildings themselves. Sir Ron recognises that. We intend to deal with it in the White Paper on lifelong learning. I am grateful for the hon. Gentleman's comments; I sincerely hope that the shadow Secretary of State, the right hon. Member for Charnwood, will acknowledge the genuine feelings and commitment of his own Back Benchers.

Lorna Fitzsimons (Rochdale): It is important for us to clarify several points. First, does my right hon. Friend agree that the current system is one of the most inequitable that we have, which is why the high-street banks refused to administer it when the previous Government tried to negotiate for them to do so? Secondly, will he make it clear that we do not have free universal higher education, as some people in the House and outside the House would have us believe, because Open university students, part-time students and further education students have always paid fees? Thirdly, will he tell the House that the crucial part of Dearing is, as I understand it, building a much needed bridge over the gap between further education and higher education, to give meaning to the principles that we have enshrined, on quality, access and fairness?

Mr. Blunkett: I agree entirely. We have tried to make it clear that there has been a misunderstanding, in that some people have taken young, full-time students entering at the age of 18 and 19 to be the norm. Now, more than 50 per cent. of students are mature and a third of students—half a million—are part time. Adult further education students not below the age of 19—there are 2 million of them—have had to pay. To put it in context, I believe that this is the final break with the welfare state that invested in the better-off at the expense of the worse-off.

Mr. Dorrell: This afternoon, several hon. Members on both sides of the House have asked the Secretary of State a question, the answer to which would be of real interest to everyone looking at this subject from outside, but which he has not yet given. How much money does he expect the tuition fees that he proposes to raise, and how much of that will find its way directly to universities?

Mr. Blunkett: By 2002, £650 million on the present accounting basis; £1,700,000 on resource accounting, which is being examined by the Government.

Several hon. Members *rose—*

Madam Speaker: We now move on. I know that I have a point of order from Mr. Gorrie.

Points of Order

4.26 pm

Mr. Donald Gorrie (Edinburgh, West): On a point of order, Madam Speaker. My concern is that I discovered that the Scottish press had been enabled to get hold of copies of the Dearing report at 4 o'clock yesterday afternoon. The report was embargoed until this afternoon. I have no doubt that equal opportunities were given to the London and English press. I do not object to members of the press having an advance copy so that they can write a sensible article about it; I am suggesting that Members of Parliament are equally trustworthy and that we could get embargoed copies, so that we could make intelligent comments and so that when, for example, I am asked to speak—*[Interruption.]*

Madam Speaker: Order. I am interested in what the hon. Gentleman has to say.

Mr. Gorrie: In my case, the Scottish media are interested in a Scottish reaction to the Dearing report. They had copies of it and I did not, which seems to be unreasonable. I suggest that, in future, Members of Parliament should be regarded as being as trustworthy as journalists and should be given embargoed copies of such documents.

Madam Speaker: I have a great deal of sympathy with the hon. Gentleman. It is intolerable when a Member of the House is asked questions by a journalist about the contents of a Government document that has been made available to that journalist on an embargoed basis and is not available to the Member.

Let me say to the hon. Gentleman, who is new to the House, that it has been a long-standing and accepted practice that advance copies of Government documents are issued to the press on an embargoed basis, as he says himself, in order to assist them in their subsequent reporting. The terms of the embargo do not permit the press to make other use of the document in advance of its availability to the House.

It seems to me from what the hon. Gentleman has said that in this case, the terms of the embargo have not been respected. That will no doubt be as much a matter of concern to the Secretary of State as it is to me. Ministers are being let down by the press when they do not respect an embargo. It happened with the previous Government; it is now happening with this Government. The Secretary of State will no doubt wish to consider the implications of this incident for the practice of advance release on an embargoed basis. In any event, he might consider what action should be taken in respect of the journalist concerned.

Mr. Tam Dalyell (Linlithgow): Further to that point of order, Madam Speaker. Do you intend to bring your statement to the attention of the Secretary of State for Scotland? Tomorrow's publication of the devolution White Paper could be the litmus test of what you have said to the House.

Madam Speaker: I hope that those on the Government Front Bench, whose job it is to bring my remarks to the attention of Secretaries of State, will do precisely that.

Mr. Tony Benn (Chesterfield): Further to that point of order, Madam Speaker. First, may I welcome the strong line that you are taking in protecting the House from Government statements being leaked before they reach the public domain? The point that I wish to raise, of which I gave you notice but to which I do not expect an answer today, relates to the same matter.

Yesterday, the No. 10 press office gave a full briefing that a new Cabinet consultative Committee was to be set up, that Opposition Members were to be on it, and that they would be subject to the Official Secrets Act. No statement was even due to be made today on the matter. Whether the idea is good or bad is a matter for the parties concerned, but it greatly affects the position of the House of Commons, where there are really only two categories of Member: Ministers who represent the Government; and Members of the House who are members of the legislature. If the Government can co-opt members of the legislature and give them private information on a wide range of issues, are they any longer an Opposition able to enjoy the rights of opposition? That is the point that I want to make. I am not talking about the merits of the matter, but simply saying that we now have a semi-move towards a coalition, even though we are told by the No. 10 spokesman that this does not involve collective Cabinet responsibility for Liberal Democrat Members who are invited to serve on the Committee.

This point may seem remote, but I do not believe that it is. First, I believe that it is of great importance that statements of that kind should be made to the House. As you will have heard when I asked the Prime Minister this question earlier, I looked up the precedents and found that, when Liberals were brought in before, the Prime Minister of the day made a statement in the House. I cited the two cases of which I knew. Secondly, in what way can you take account of the fact that the Liberal Democrat spokesman may well be asking questions with knowledge not open to others, but which he cannot disclose to the House or even to his own colleagues, because he has acquired that knowledge through contact with the Government of the day?

I do not expect you to respond, Madam Speaker, but this is another issue on which a vigorous defence of the House against the Executive, the press and everybody else is required.

Mr. Douglas Hogg (Sleaford and North Hykeham): My point of order, of which I have given you notice, Madam Speaker, is similar to that of the right hon. Member for Chesterfield (Mr. Benn). Clearly, the decision to include Liberal Democrats on a Cabinet consultative Committee means, in effect, that Liberal Democrats are moving from the Opposition Benches to the Government Benches. That has an important impact on the role and status of Liberal Democrats in this House. For example, when they seek to catch your eye, should not they be treated as Government Back Benchers, and when they seek places on Committees of this House, should not they be treated as sitting on the Government Benches?

The matter goes further. Who represents the minority parties? Surely not the right hon. Member for Yeovil (Mr. Ashdown), who is in effect on the Government Benches. Indeed, it goes even further than that. For example, there are the questions of Short money and of party political broadcasts. That is a matter on which you, Madam Speaker, might wish to summon a Speaker's

committee so as to ensure that allocation to Liberal Democrats came out of the allocation that would otherwise go to the Labour party.

Mr. Eric Forth (Bromley and Chislehurst): Further to that point of order, Madam Speaker.

Madam Speaker: I am happy to listen to points of order. One day we might have a debate on these matters.

Mr. Forth: I welcome your advice, Madam Speaker. Following the point of order of my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), may I ask whether you were consulted before this rather unusual and, as far as I know, unprecedented step was taken? Was your advice sought with regard to the implications for the House of what is apparently being done in terms of the status of Members of Parliament and political parties in the House? If not, certain rather arrogant presumptions seem to have been made by both the Prime Minister and the leader of the Liberal Democrat party, taking the rest of us—perhaps including you, Madam Speaker—entirely for granted.

Madam Speaker: There is no need for any Government to consult me on such a matter. The relationship between the Government and another political party is not a matter for me, nor do I think that it is a matter that requires a statement to the House. However, I have noted the points of order raised by hon. Gentlemen, as no doubt have Ministers. Perhaps at business questions tomorrow, other hon. Members may seek to catch my eye, so that they may put questions to the President of the Council.

Mr. Simon Hughes (Southwark, North and Bermondsey): Further to the point of order of the right hon. Member for Chesterfield (Mr. Benn), Madam Speaker, of course there is an issue as to access to Government facilities. If the matter is to be debated or listed for the public and the House, I hope that you, Madam Speaker, will ensure that all the facilities to which the official Opposition have access—cars for the leader, civil servants in the Whips Office and additional resources—are listed. We are happy for resources available to Opposition parties to be listed.

The two points that must be recorded clearly are, first, that I have not said anything to suggest that a constructive dialogue with the Government is not available to all parties, if they ask for it and if they are willing to come to an agreement about it. Secondly, for all the years that I have been in the House and longer, facilities have been afforded in different ways by different Governments to Opposition parties and funded by the state. We would rather have access to information than access to goodies.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): Further to the point of order relating to the statement, given that the Dearing committee set up a special sub-committee to examine the position in Scotland, given that there were only two lines relating to Scotland in the ministerial statement, and given that the grant system in Scotland has always been in the purview of the Scottish Office, rather than of the Department for Education and Employment, may I ask whether the Secretary of State for Scotland has applied to make a statement on the Dearing report?

Madam Speaker: The simple answer is no.

Mr. John MacGregor (South Norfolk): On a point of order, Madam Speaker. I have just been to the Vote Office to get a copy of the Dearing report, and I am told that only a 54-page summary will be available to hon. Members from the Vote Office. It is a pretty skimpy summary. Those of us who want to study the full report during the recess expect to be in our constituencies, not in London. I was told that the only way of seeing the full report was to go to the Library. I hope that I have been misinformed, but if that is correct, I hope that you will make it clear that the Dearing report will be available through the Vote Office to hon. Members in the usual way.

Madam Speaker: Of course, the right hon. Gentleman is correct. I know that up to 1 o'clock today 250 copies of the summary were available in the Vote Office, but I would expect the full report now to be available. I will see to it when I leave the Chair, when I am allowed to. It is right that the full report should be available to hon. Members.

Mr. Dale Campbell-Savours (Workington): On a point of order, Madam Speaker. Will you confirm, on the basis of reports that you have seen, probably in the media, that the debate going on about the position of the Liberal Democrats is being wildly exaggerated? They will not form part of the Executive. They are simply being drawn into a forum where they are being consulted. As a Member, I cannot see what is difficult about that proposition.

Madam Speaker: That is not a point of order for me, and I am a wise enough Speaker never to make comment about media comments.

Access to the Countryside

4.38 pm

Mr. Paddy Tipping (Sherwood): I beg to move,

That leave be given to bring in a Bill to amend the law on trespass and to enable members of the public to resort on foot to open country in England and Wales for their recreation; and for connected purposes.

Fifty years ago this week the post-war Labour Government received the Hobhouse report. The majority of its recommendations were agreed. As a result, we now have national parks, the Countryside Commission, long-distance footpaths and a right of way network recorded on the definitive map. Unfortunately, the fifth, important recommendation—a right to roam over open country—was dropped because of obstacles placed in its path, and lack of parliamentary time.

The right to roam in the wild places has been called for in Parliament for more than a century. The Liberal Member of Parliament James Bryce introduced the first access Bill in 1884. Unfortunately, that Bill and many of its successors were blocked or emasculated by landowning interests in Parliament.

Despite that, the demand and need to protect and extend the public's freedom to wander on foot over uncultivated land is greater than ever. We now have another radical, reforming Labour Government, whose achievements I believe will match those of the 1945 Government. There are high expectations that this Government will deliver greater access to the countryside. Labour's manifesto at the general election promised greater access to mountain, moorland and common land. However, those rights to roam were coupled with responsibilities for the walker.

This Bill provides a framework for what I think can be achieved. I do not see it as the definitive article, but as a vehicle for debate and discussion. There are many voices in the country and many demands on the countryside. We must seek to balance them, although it will be difficult to find the right balance. We must remember that the countryside changes, and, as it changes, attempts must be made to lift the landscape and enhance the environment. The countryside will never be a museum.

The Bill seeks to build on previous similar measures that I have introduced. I thank the Ramblers Association—particularly Jerry Pearlman, its honorary solicitor—for its help and support. I put on record the fact that I am an enthusiastic walker and vice-president of the Ramblers Association. I hope that my hon. Friend the Minister will acknowledge that the focus of the Bill has been narrowed to bring it into line with what I believe to be Labour party policy.

The Bill confers the right to roam on mountain, moorland, common land, heath and down. However, it is not an unrestricted right to roam: exclusions are granted to take account of shooting and conservation interests. There are many stakeholders in the countryside, and I have consulted fully about the Bill. Meetings have taken place with the Country Landowners Association and the National Farmers Union. All agree that there is a need for greater access, but there are different views about how to achieve that aim.

As a result of those discussions, positive obligations are imposed in schedule 1 on persons who want to walk the open spaces. Rights are clearly linked to responsibilities: freedom to walk places a responsibility on the walker to respect the countryside. In addition, the rights of those who wish to shoot are safeguarded and strengthened. Dogs must now always be kept on a lead. Most importantly, a new clause has been added to assuage the fears of the Country Landowners Association and others that they could face insurance claims from walkers. Clause 10 makes it clear that landowners have no responsibilities in that regard. Another burden has been lifted from landowners.

I hope that I have made it clear that I have responded positively to countryside concerns. There can be no justification for any claim that the measures would be imposed on the countryside without discussion. The Bill has its opponents, but they should accept it at face value and in good faith. To characterise it as somehow allowing unrestricted access to the countryside reveals prejudice and vested interest. The Bill attempts to address all countryside interests without causing substantial harm to any.

I say bluntly to the British Association for Shooting and Conservation that, before writing to all Members of Parliament expressing concern about the Bill, it would have been wise to read it. Its ill-informed criticism does it no favours. Many issues it raises have already been addressed.

I understand the Country Landowners Association's view that access should be voluntary and managed. Nevertheless, 50 years ago, the Hobhouse report and the subsequent National Parks and Access to Countryside Act 1949 provided a framework for negotiating voluntary access. Unfortunately, progress has been painful and pitiful. For instance, large parts of the Peak district and the Forest of Bowland remain out of bounds. The CLA has received money from the Countryside Commission to help with voluntary access work. It will be judged on what it can achieve. Unless progress is made, legislation is inevitable.

Judgments will also be made on assessments of the costs of access to the country. I seek to persuade the Minister that the costs are minimal and can be met from existing budgets.

I contrast my approach with the work of the Country Landowners Association, which commissioned a report that purports to show that the provisions in the Bill will cost landowners £2 billion. I challenge the CLA to publish this secret report, so that its methodology can be scrutinised. I am inclined to say at this stage that this is yet another example of scaremongering.

To put the £2 billion into context, I calculate that it could purchase 10 million acres of mountain and moorland at an average cost of £200 per acre. The Minister and the House need to be reminded that there are only 12 million acres in total of mountain and moorland in England and Wales. The CLA's claims are therefore clearly exaggerated.

It seems to me that the Ramblers Association and others promoting greater access have made proposals that are practical, reasonable and follow English legal precedent. Moreover, they have shown their willingness to compromise.

The Bill is practical in the sense that it provides draft legislation that can be implemented on the ground. All that is required is parliamentary time. The Bill is

reasonable in that it is not a Utopian demand for everything that the access lobby would wish for. Difficult decisions have already been made.

I am conscious that I have spent time talking about the restrictions and exemptions of the Bill. I have described the compromises that have already been made. I am keen to stress the need for further dialogue and consultation. I am delighted that my right hon. Friend the Minister for the Environment has confirmed that he will carry out his own consultation exercise later this year, with a view to introducing legislation.

I am confident that my Bill will provide a foundation stone on which future legislation can be built. It is a measure whose time has now come. It is a Bill that looks to the future, not the past. It is a Bill that provides access for the many, not just the few. I believe that, by the millennium, we will at last truly be able to say for the first time, "This land is our land."

4.46 pm

Mr. Tom King (Bridgwater): I rise to oppose the Bill, but not because I wish in any sense to oppose access to the countryside. Everybody who lives in towns and in the country knows the value of our wonderful countryside, and all hon. Members should share the determination that people should have the maximum possible access to it.

I congratulate the hon. Member for Sherwood (Mr. Tipping) on his persistence. He has been here before, and I have read the speech that he made on 30 January 1996, in which he sought to bring in a very similar Bill.

I do not quite understand why we are here today, because I heard the Under-Secretary of State for the Environment, Transport and the Regions, the hon. Member for Wallasey (Angela Eagle), say last week in the House that the Government would introduce legislation on this subject and would conduct a wide-ranging consultation exercise later in the year. Without anticipating whether legislation will prove to be necessary, I am sure that this is an issue on which the widest consultation arises.

The hon. Gentleman was absolutely frank with the House when he said that he was vice-president of the Ramblers Association. He said that the Bill has the support of ramblers. I shall seek to persuade the House that a vastly wider range of interests has to be accommodated in such a complex measure.

I challenge the House to recognise its responsibility. It has the power to legislate on virtually anything, but before it embarks on a particular course, it has a heavy responsibility to decide whether that is the right route to take to achieve the objectives that many right hon. and hon. Members may wish to achieve. The hon. Gentleman says that there is a balance of interests to be determined, that there must be full consultation, and that he does not wish to predetermine any issue, but his Bill predetermines the key issue: that we will now abandon the voluntary principle, and move to the world of prohibition, of enforcement.

We have an advantage that I do not think we had on 30 January 1996. I have a copy of the previous Bill. I do not know how many hon. Members have had a chance to read the earlier Bill, but those who have will have found that the enthusiasm they may feel is much greater when they stick to its broad principle, and rapidly declines when they examine the complex details.

Schedule 1—which may be altered in the new Bill—lists the people who will not be allowed the right to roam. It refers to a person who

"(a) drives or rides any vehicle;

(b) lights any fire or does any act which is likely to cause a fire;

(c) takes, or allows to enter or remain, any dog not under proper control;

(d) wilfully kills, takes, molests or disturbs any animal, bird or fish or takes or injures any eggs or nests;

(e) bathes in any non-tidal water in contravention of a notice . . .

(f) engages in any operations . . . connected with hunting, shooting, fishing . . . taking or destroying of animals . . .

(g) wilfully damages the land . . .

(h) wilfully injures, removes . . . any plant, shrub, tree . . .

(i) obstructs the flow of any drain or watercourse . . .

(j) affixes . . . any advertisement, bill, placard . . .

(k) deposits any rubbish or leaves any litter;

(l) engages in riotous, disorderly or indecent conduct;

(m) wantonly disturbs, annoys or obstructs any person engaged in any lawful occupation".

I like (n), which refers to a person who

"holds any political meeting or delivers any political address".

That will have brought home to hon. Members what we did not know when the Bill was first introduced. It demonstrates the complexities involved.

The hon. Gentleman said that the measures in his Bill would not be imposed without consultation; they would be imposed after consultation. That is what he proposes, and what he hopes will happen. However, given the complexity of the issues, I believe that we abandon the voluntary principle at our peril.

I hold no brief for anyone, although I have seen the brief from the British Association for Shooting and Conservation, and I know that the Country Landowners Association has advocated the voluntary approach. Perhaps I approach the issue as the then Minister who introduced the Bill that became the Wildlife and Countryside Act 1981, and carried it through to enactment.

I also represent a rural constituency, and I see the pressures on the countryside. I challenge the hon. Gentleman to recognise that the issue does not affect only ramblers. It is not just a question of ramblers against landowners; a host of interests are involved. Certainly ramblers and all walkers are affected, but we must also consider mountain bikers, and the awful "mystery tours" by four-by-four clubs that turn up in the countryside and show no interest in discovering where there is a legitimate right of way.

Then there are horse riders—in my constituency, in the Quantocks, there are even camel riders—bird watchers, naturalists and fishermen. We must also bear in mind the interests of conservation. Pressure is put on the countryside by balloonists, hang gliders and scramble motor cyclists. Many of those involved are competing with each other.

I see this Bill as the first of a row of such Bills. Hon. Members may know about the issuing of temporary prohibition orders. Every three years, under the Bill, every ancient monument that English Heritage wants to protect from those who demand a right of access must be given a temporary prohibition order. The same applies to landscapes and areas that are important to conservation—

[Mr. Tom King]

sites of special scientific interest, I suppose. It is a continual process. That is what hon. Members are going to support today.

Opposing the earlier Bill, my hon. Friend the Member for South Suffolk (Mr. Yeo) described it as a legislative dinosaur, and I agree. It provides unlimited scope for disputes, and I think that it could cause great damage. I accept that the voluntary principle needs improvement, but I will fight hard to keep it. I want to warn hon. Members of the dangers before they rush instinctively into what they think must be sensible measures.

Who looks after the countryside? Who are its stewards? Farmers, foresters and those with sporting and conservation interests, along with organisations such as the Woodland Trust, are trying to preserve a countryside in which people can enjoy walking and rambling. I would never defend those landlords who have a fortress mentality, but nor would I support a militant and aggressive assertion of rights, which could cause great trouble.

The House has the power to legislate on anything. It has a reputation not for legislating too little, but for legislating and then having to legislate again and again. My plea to hon. Members is that, before going down the route that the hon. Gentleman invites us to follow, they consider carefully whether the voluntary principle could be made to work, so that a balance can be struck between the different interests without creating a bureaucracy. Local government would have to enforce this legislation, which would introduce two new criminal offences. Access to our countryside should be agreeable and achievable. I beg the House to be fully conscious of those arguments, and not to support the Bill.

Question put, pursuant to Standing Order No. 23 (Motions for leave to bring in Bills and nomination of Select Committees at commencement of public business), and agreed to.

Bill ordered to be brought in by Mr. Paddy Tipping, Mr. Andrew F. Bennett, Helen Jackson, Ms Sally Keeble, Ms Jackie Lawrence, Ms Chris McCafferty, Mr. Colin Pickthall, Mr. Chris Pond, Mr. Gordon Prentice, Mr. Chris Ruane, Mr. Stephen Timms and Ms Joan Walley.

ACCESS TO THE COUNTRYSIDE

Mr. Paddy Tipping accordingly presented a Bill to amend the law on trespass and to enable members of the public to resort on foot to open country in England and Wales for their recreation; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 13 February, and to be printed [Bill 54].

Convergence Programmes (European Union)

4.56 pm

The Paymaster General (Mr. Geoffrey Robinson): I beg to move,

That this House takes note with approval of the Government's assessment as set out in the Financial Statement and Budget Report for the purposes of section 5 of the European Communities (Amendment) Act 1993.

The debate arises from an amendment to the European Communities (Amendment) Act 1993 proposed by my right hon. Friend the Minister for Employment, Welfare to Work and Disability Rights. The purpose of the amendment was to signal the importance attached by the Labour party to the objectives contained in article 2 of the Maastricht treaty, which include the balanced development of economic activities, sustainable and non-inflationary growth, respecting the environment, a high level of employment, and economic and social cohesion.

The amendment to section 5 of the 1993 Act requires Parliament to approve a Government report. That report should set out how the Government's economic and budgetary position relates to public investment and to the goals of article 2. Parliament must approve that report before information may be submitted to the Commission or Council for the purposes of articles 103 and 104c of the Maastricht treaty, which relate to the broad economic guidelines and excessive deficit procedure respectively.

The "Financial Statement and Budget Report" published earlier this month provides an appropriate assessment. It clearly sets out how the Government intend to meet the social, economic and environmental objectives mentioned in article 2 of the Maastricht treaty. It also sets out the Government's position on public investment.

In the Budget, the Chancellor announced how the Government would begin equipping Britain for its long-term future. The Government's policy will promote economic stability, encourage long-term investment, modernise the welfare state to encourage work and not dependency, provide high-quality public services, move towards a fairer tax system, and protect the environment and health.

In the past, Britain has suffered repeated cycles of boom and bust, which have damaged long-term investment and growth. The Government are putting economic management on a more stable, longer-term footing. A five-year deficit reduction plan will ensure that the Government borrow only to finance investment. That should reverse the steady increase in the burden of public debt in recent years.

The Bank of England has been given responsibility for setting interest rates to meet the Government's inflation target, which should mean that interest rates will be lower in the long run.

Britain has a legacy of under-investment in new technologies, infrastructure and skills. Investment in relation to gross domestic product is low by both historical and international standards. That has contributed to capacity constraints, and has held back economic growth. The Budget encourages long-term investment by putting economic management on to a more stable footing, reforming corporation tax and reinvigorating the private finance initiative.

In Britain today, one in five working-age households have no one earning a wage. In order to replace welfare with work, the Budget introduces new deals for the young, the long-term unemployed, lone parents and schools. The Government have also launched a review of the tax and benefits system to consider how to streamline and modernise the welfare state to help employment opportunity and work incentives.

Protecting the environment is at the heart of the Government's objectives for the tax system. Economic development needs to take place in a way consistent with high standards of environmental protection. The Government are committed to broadening the scope for using the tax system to deliver environmental objectives by increasing the incentives to reduce environmental damage.

The Government are also committed to delivering high-quality public services within tight overall spending controls. Spending should be targeted in priority areas, and public resources should be spent efficiently. Within an unchanged control total, the Chancellor has announced an extra £1.2 billion for the national health service and an extra £1 billion for schools. A comprehensive spending review is also under way. It will examine every item of spending, and ensure that it contributes as effectively and efficiently as possible.

Mr. Simon Hughes (Southwark, North and Bermondsey): The Paymaster General is probably the best person to ask for an authoritative answer. He gave the figures for extra money for health and for schools. Will he confirm that it is a straightforward cash increase, which does not take into account inflation? I am not arguing that it should, but we should understand that it is a total before inflation, not an inflation-adjusted figure.

Mr. Robinson: The hon. Gentleman will remember that that question was asked during Prime Minister's questions two weeks ago, and was adequately answered on that occasion.

The private finance initiative also has a key role to play. It has always been a good idea, but reforms are needed to make it work better. Obstacles in the way of projects coming to fruition must be removed, priority should be identified, and the process should be streamlined. The Government have already taken action to improve the PFI and to ensure that more contracts are signed more quickly across the public sector.

The House will have noted the appointment of Mr. Adrian Montague as chairman of the task force on the PFI. I am pleased to say that the appointment has received an extremely warm welcome in the private sector. I am sure that he will provide great impetus to the programme.

Sending information from the "Financial Statement and Budget Report" to the Commission and Council will enable Britain to share information with our European allies. In turn, that will enable Britain to take a lead in Europe to help to tackle the underlying weaknesses of European economies with a programme of economic reform.

British interests are best served by being strong in Europe. In order to shape an agenda that is right for Britain and Europe, we need to be in, and leading in, Europe. We want to make Europe more open, more competitive, more flexible and more adaptable. We want Europe to set goals on higher productivity, employment and growth. We need to ensure that Europe develops in ways that will promote growth and jobs in both Europe and Britain. That is why Britain must be in Europe and leading.

Participating in multilateral surveillance is a helpful step towards achieving that end. Sharing information helps to promote the adoption of sound policies, and forms the basis of a more positive and constructive approach. The Government have already adopted that approach to tackle European unemployment.

Under my right hon. Friend the Chancellor's initiative "Getting Europe to Work", member states and the ECOFIN Council will focus on cutting unemployment by identifying best practice in each member state. By playing a proactive role, Britain is leading the debate on how best to combat high and unacceptable levels of unemployment in Europe.

None of the challenges currently facing Europe will influence its development as much as the single currency. A single European currency could bring benefits, but would work only with real convergence among the economies taking part. Any decision about British membership will be made in the British interest and to meet British needs, after a cool, hard-headed assessment of the national interest. To make the right decision, we need an open and intelligent debate on a single currency.

That is why, last week, the Chancellor threw open the debate about European monetary union, and why multilateral surveillance at European level is also a good idea. Without that, we would be in no position to make the right decision, and any debate would be ill informed.

Mrs. Angela Browning (Tiverton and Honiton): Will the Minister confirm that, in the Chancellor's consideration of what is in the British interest, he will take into account not only economic interests, but the constitutional price to pay for a single currency? How will he balance the constitutional price with the economic pluses and minuses when his work is done?

Mr. Robinson: I am sure that my right hon. Friend the Chancellor will take all relevant considerations into account, and, in his great wisdom, come to a balanced judgment about them that will indeed be in Britain's national interest.

Approving the motion allows the United Kingdom to participate in such multilateral surveillance, as provided for in articles 103 and 104c of the Maastricht treaty. Under article 103, member states submit convergence programmes that set out their economic objectives and provide information on their economic performance. Sharing such information facilitates the identification and promotion of successful economic policies. Under the article, the Council also draws up broad economic policy guidelines. Those provide an overview of economic developments in the European Union, and lead to an agreed broad set of policy guidelines.

Under article 104c, member states provide information on the state of their public finances under the excessive deficit procedure. All European countries should pursue policies for low inflation and sound public finances. Those are the essential building blocks for investment, growth and jobs. That is why the Maastricht criteria are important.

[Mr. Robinson]

Multilaterai surveillance is a sensible precursor to enable Britain to take a proper role in Europe and to make the right decisions about Europe. Approving the "Financial Statement and Budget Report" under section 5 will enable the UK to participate in such surveillance.

5.6 pm

Mr. Gary Streeter (South–West Devon): I thank all my colleagues for coming to the Chamber to listen to me this afternoon—[*Laughter.*] I think that a slightly more important attraction is taking place elsewhere.

I welcome this opportunity to discuss the assessment of Britain's economic and Budget provisions. It gives the House a chance to look back with pride on the economic conditions created under the previous Conservative Government, which we can report with satisfaction to the European Commission at Brussels and to the wider world; but we must also look with growing concerning at the Budget provisions that require to be reported.

At the centre of this debate should be the vital matter of our contribution to the EU budget. We now learn that that may rise by a significant amount—possibly, according to some sources, by as much as £2 billion. I intend to deal with all three items in my brief remarks, probing the Paymaster General a little on the EU contribution.

Every day produces more evidence of the great strength of the British economy that the Labour Government have inherited. Our public finances are in first-class order. A few simple facts illustrate the point. We have had the longest period of low inflation for 50 years. Unemployment is falling steadily, while it is rising in France and Germany. In Britain, it stands at 7.4 per cent., compared with a European average of 10.8 per cent.

We have the fastest growth of any major EU economy. Tax revenues are flooding in so strongly that we are comfortably on course to meet the Maastricht criteria on debt and deficits. Britain's public sector borrowing requirement is set to be just 1.75 per cent. of gross domestic product this year, but in France the Government talk about massive tax increases in an attempt to creep below the 3 per cent. target—almost certainly in an artificial and unsustainable manner.

When the International Monetary Fund's annual report on the United Kingdom praised Britain's impressive macro-economic performance, strong growth, declining unemployment and low inflation, as the Chancellor was so keen to point out, I wonder whether he stopped for just one moment to ask himself who had been working for years to put those achievements in place. I wonder whether he stopped for a moment longer to consider who had been criticising the very policies that delivered the economic success that the IMF is so keen to praise.

Our economy is the envy of Europe. That is our Conservative legacy. All across Europe, other Governments are adopting our language of flexible labour markets and free trade, the winning of inward investment and the encouragement of enterprise. We have won the arguments, and now, throughout Europe, we must ensure that policies adopted by member states reflect that new language.

Specific policies create flexible labour markets and economic success—not just the ability to parrot the right phrases. The Paymaster General again fell into the trap of tripping out the phrases with no real sense that he understood the specific policies that are required to bring about economic success, which brings me neatly to my second point.

We have to report to Brussels our Budget proposals for the coming financial period. What a contrast with that which has gone before. I am not sure what the French is for "a botched Budget", but I suggest that the Paymaster General finds out pretty fast, because he will be hearing much about it in Europe over the next 12 months.

Labour's response to such an impressive economic legacy is to botch its first Budget. The Chancellor talked up the existence of a consumer boom, and then piled £5 billion of his £6 billion extra taxes on the corporate sector. Having identified a problem, he took no action to deal with it. Lacking the courage of our convictions, he gave a hospital pass to the Bank of England, which then had little option but to step in and raise interest rates—three times since 1 May. It is obvious to all that there are plenty more where that came from. Home owners and businesses throughout the country are already, after just a few weeks, beginning to pay for Labour's mistakes.

On top of that, the Budget trumpeted the signing of the social chapter, guaranteeing job losses here in the UK, and paved the way for a national minimum wage, guaranteeing job losses here in the UK. This Government use the language of flexible labour markets, but introduce financial policies and new burdens on businesses that will have precisely the opposite effect. For a while, the Government can live in the warm glow of their soundbite honeymoon, but in the morning, when the cold light of day exposes their decisions rather than their diction, the country's thoughts will quickly turn to divorce. That brings me, in my full flow of eloquence, to my third and final point.

How can the Paymaster General come to the House today and say nothing about the apparent increase in the UK contribution to the European Union? Not a word did he mention. Why did not the Chancellor in his Budget find the time to mention the huge increase? According to some newspaper reports, it is as high as £2 billion. *The Sunday Times*, which we know is always accurate, reported on 20 July:

"Britain's taxpayers will have to pay an extra £2 billion into the coffers of the European Union next year, as much as the additional spending Gordon Brown allocated to health and education in his July 2 budget.

The surprise 27% increase, taking Britain's gross contribution from £6.3 billion to £8.3 billion, is revealed in unpublished documents sent by the Treasury to the House of Commons committee that monitors the EU.

In an accompanying letter, Helen Liddell, the Treasury economic secretary, says the increase in contributions—which lifts Britain's share of the £59 billion budget of the 15-member EU from 11% to 14%—is explained by Britain's better economic performance relative to the rest of Europe, a £200m reduction in the amount of Britain's budget abatement, and an increase of nearly 3% in EU spending."

Not a word about that did the Paymaster General mention.

I want to make one thing clear. We fully accept that we are one of the wealthiest countries in Europe, and we are prepared to pay our fair share to make the EU work. We belong to the EU, we wish to remain in it, and we wish to make it work for Britain and for all member states. We recognise that there is a price to pay for membership, but it must be a fair price, and we must be sure that our

contribution represents value for money. That has been the Conservative approach to our EU contribution, and it will remain so.

For 18 years, we put value for money at the very top of our agenda. Is it not remarkable that, in their very first attempt, the Labour Government have failed to secure value for money? I pause to reflect how ironic it is that, at the same time as we are being asked to pay more, the Governments who are punishing their own people by over-tight deflationary policies simply to meet the Maastricht criteria are being rewarded by being asked to pay lower contributions.

Even more remarkable is a press statement that was issued by the Treasury on 11 July, headed "Statement on the 1997 Community Budget: European Community Finances". There is even a very helpful note to editors. Surely in such a press statement, the Government would set out the details of the huge budget increase—but not a word. The Government shout from the rooftops about transparency and open government, but when there is bad news to tell, they hide it in the basement of Millbank tower in a shabby and unacceptable way.

Why is our subscription to rise by such a huge sum? We are told that it is due, as I have said, first, to our strong economic performance, secondly, to the reduction in our rebate of £20 billion, and thirdly, to a 3 per cent. increase in EU spending. We well understand the first of those reasons. Those are the rules, and we accept in broad outline the consequence of Conservative economic success.

But what about our hard-won rebate? Surely the Labour Government have not already, after a few short weeks in the job, thrown in the towel. Why has our rebate been slashed—£200 million wiped out at a stroke? How many schools and hospitals could have been built for that sum? What action have the Government taken to prevent the rebate being slashed? Was the fact that our rebate is to go what the Chancellor meant when he said that he was against "permanent opt-outs"?

The Paymaster General must deal with such matters in winding up. The country is entitled to ask whether we can rely on Labour to maintain our rebate. Can we trust Labour with our Euro-finances? On such evidence, we clearly cannot.

Why is the Chancellor prepared—so he tells us—to be ruthless this year with public spending at home? There is to be no more money this year for teachers, schools, nurses and patients, and not a penny more for our police or firemen. He is miserly when it comes to domestic spending, but he shells out our money abroad as though sterling were going out of fashion. Perhaps it will, in Labour's hands. The Chancellor says that he is an iron Chancellor at home, but surely he is a plasticine Chancellor abroad—well and truly moulded by his European partners.

How can the Paymaster General bear to write the cheque for our extra Euro-spending when there is not a penny more for our own people? Why was not the matter raised at the Amsterdam summit? Surely, in Amsterdam, the Prime Minister already knew that our contribution was set to rise. Why did he not fight that increase? What happened to our ace negotiator? Had he slipped out to the washroom while the matter was being discussed?

We know that the Prime Minister failed utterly to get progress on enlargement, failed completely to get a binding deal on quota hopping, and—it appears—failed hopelessly to protect our financial interests. Perhaps he was out of the meeting for rather a long time. No wonder the Government have tried, in their embarrassment, to sweep the matter under the carpet; no wonder they have not made proper disclosure to the House of Commons or issued a proper press release on it.

Most serious of all, we learn that fraud is on the increase in the EU. We learn that 6 per cent. of the revenue collected from member states in 1996 was lost in fraud—a massive jump from 3.6 per cent. in 1995. In other words, moneys lost through fraud have increased by two thirds in 12 months.

Why did not the Prime Minister say at the Amsterdam summit that we would not give a single penny more to Brussels until the alarming increase in fraud had been dealt with? That would have been a perfectly sensible position to take. Is it because he is so desperate to be liked in Europe and never to be isolated in Europe?

Surely the Prime Minister could have worked out the similarity between two figures—a 2.4 per cent. increase in moneys lost in fraud and a 3 per cent. increase in the EU budget—and simply said that there will be no more money for Brussels until it puts an axe to the root of Euro-fraud. He went to Amsterdam armed with a veto, and he could have used it in a most reasonable manner by refusing a budget hike until fraud has been dealt with. The country would have supported him in that, and our European partners would have understood, but he refused. He bottled out, and he failed—but then, in his hands, our veto is a deterrent that is never to be used.

In his reply, will the Paymaster General deal with the issues that I have raised? Will he tell us why the Government have attempted to conceal the increase? Why has there not been proper debate on the Floor of the House? Where is accurate information on the matter? Why did the Prime Minister not stand up for British interests at Amsterdam? Why did he not take tougher action on fraud and use his veto in Britain's interests?

Is not the sad truth that the Government failed in their first opportunity to lead for Britain in Europe? The Government's mistakes are many, not only a few, and Labour simply cannot be trusted with the people's money.

5.20 pm

Mr. Geoffrey Robinson: The hon. Member for South-West Devon (Mr. Streeter) started his speech with some misplaced quotations on our Budget by the International Monetary Fund, and I should like to take a couple of minutes to put him right on them. The IMF mission statement said:

"The new Government has made an excellent start. It has set a high standard for its economic policies, aiming to maintain stability and foster long-term growth while seeking fairness in developing human potential. It has taken decisive steps towards these goals by making the Bank of England independent, introducing a Budget that makes rapid strides towards sound public finances, and initiating welfare-to-work and other programmes to enhance employability."

Our policies are timely. I can well understand why he did not read on and tell us the full import of the IMF mission statement, because such a whole-hearted endorsement of our policies must cause him some embarrassment.

The hon. Member also mentioned fraud. It would have been illegal to do what was suggested, and we need no lectures—still less, help—from the Opposition on dealing with Europe. Time and again—most clearly in the BSE

[Mr. Geoffrey Robinson]

crisis—we have seen how all the threats, bluster and vetoes in the world culminated only in a humiliating climbdown by the then Conservative Government. Therefore, we require no lectures on those matters from them.

At Amsterdam, as the hon. Member knows, the Government accepted qualified majority voting on fraud matters, which the previous Government's Euro-scepticism and perpetual search for fights with our partners in Europe prevented them from doing, however much it might have been in the British interest to do so. We will have no truck with the previous Government's tactics, however much they are thrust upon us, because they led to disaster.

On payments—I realise that the hon. Member for South-West Devon is trying to make the story run—it is simply not the case that, in sterling, the UK gross contribution will rise by 32 per cent. Although that story was in the Sunday newspapers, no one has mentioned it since—until today, when he strode to the Dispatch Box and, with such great alarm, tried to revive it. If he had read the Treasury's explanatory memorandum, which made the matter clear, he would know that the figure was produced by comparing sums in ecu that were calculated at very different exchange rates. Moreover, if he would like to go into the details of how we can reconcile any differences, I should be happy to do so.

I shall, however, come straight to the point. As the hon. Member is interested in the underlying increase, in sterling, in gross contributions—which, because we do all our national accounts in sterling, is what should matter to us—I ask him to accept that, between calendar years 1997 and 1998, the figure will probably be about 2 per cent. I stress, however, that that figure is for gross contributions.

I should have thought that the hon. Member would be more interested in net contributions. As he knows, the figures must be projected based on certain assumptions. Next year, they could move up or down—and I stress both those words equally.

The hon. Member is interested in gross contributions, however, and the simple fact—as he will know—is that those underlying increases were introduced by the previous Government precisely to escape the types of fluctuation and misrepresentation that can occur. The percentage increase will be only 2 per cent. Therefore, the gross contribution, in sterling, will rise from £10 billion to £10.2 billion. I hope that I have satisfied his queries on those matters, and that the motion will be accepted by the House.

Question put and agreed to.

Resolved,

That this House takes note with approval of the Government's assessment as set out in the Financial Statement and Budget Report for the purposes of section 5 of the European Communities (Amendment) Act 1993.

Orders of the Day

Ministerial and other Salaries Bill

Order for Second Reading read.

5.25 pm

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): I beg to move, That the Bill be now read a Second time.

The Bill's purpose is to provide an automatic link between Ministers' salaries and movements in senior civil service pay bands, and, in so doing, to implement the recommendation of the Senior Salaries Review Body. It is right that we should move in that direction, because it is wrong that, each year, hon. Members should have to debate and vote on ministerial salaries. We once had to do the same for the salaries of hon. Members, and it was a ludicrous exercise. Each year, we must still vote on Ministers' salaries, and it is wrong that we should have to do so. We should not have to vote on our own salaries every year. It is important also that we establish that others—in this case, the SSRB—should determine the applicable linkage and general level of salaries for Ministers.

It is true that the issue has been discussed on many occasions, including—albeit briefly—in the previous Parliament. My predecessor, Tony Newton, was more than a little sympathetic to the proposal that we should establish an automatic linkage in salaries rather than refer the matter to the House every year. He was in favour of introducing legislation similar to this Bill, but there was never sufficient parliamentary time to do so. I am glad that, today, we have found time to deal with a relatively minor but eminently sensible measure.

As I said, the Bill and its provisions are in line with the SSRB recommendations. Recommendation 14 of its 1996 report stated

"that a review mechanism"—

should—

"be applied automatically, hence forward to the salaries of MPs, Ministers and paid office holders".

Obviously, such a mechanism will affect anyone who is paid under the relevant legislation.

The adjustment would change salaries by the same percentage as the average of movements in the mid-points of the nine senior civil service pay bands. In establishing the automatic uprating mechanism, we will ensure that those types of salaries are kept in line with general pay changes elsewhere in the public sector.

I have to stress that the main objective of the Bill is to remove the requirement for Members of Parliament to vote annually. The automatic annual adjustment is already in place for the salaries of Members of Parliament and that was a step in the right direction. It is important to put the same mechanism in place for Ministers and other salaried positions.

I shall say a word about the main provisions of the Bill in case we do not have prolonged clause stand part debates this evening. Clause 1 will repeal section 1(4) of the 1975 Act and insert two new sections—1A and 1B—after section 1 of the Act, to set out the formula to increase automatically the salaries provided for in the Act and to

give power to change salaries or change the formula by affirmative Order in Council. Section 1A sets out the formula. It will operate in the same way as the resolution of the House of Commons on 10 July last year, which uprates the pay of Members of Parliament by reference to the average increase in the mid-points of the nine senior civil service pay bands. It will operate first for ministerial and other salaries on 1 April 1998. Section 1B provides powers to make an order for changing the annual amount of a salary or for providing that the amount of a salary may be determined or changed by reference to another amount or a replacement formula.

Clause 2 will make consequential amendments to the 1975 Act that will be necessary because amounts will no longer be stated on the face of the Act. At present, salaries orders replace figures in the Act with new figures. Under the Bill, salaries may be provided for by applying the formula each year to the existing salary figures or by reference to other amounts or by specifying new amounts. That formula will, of course, be determined by the SSRB. The Bill is a step forward and there is general agreement that we should move in that direction. I commend the Bill to the House.

5.31 pm

Sir Patrick Cormack (South Staffordshire): The packed and tumultuous Benches of aggressive Members of Parliament indicate that the Bill is the subject of considerable controversy. I give a warm general welcome to the Bill. The Opposition will not seek to divide the House, because we agree with the principle behind the Bill. I subscribe to everything that the Leader of the House said in her brief opening speech. I shall however make one or two brief comments.

I know that members of the current Administration have voluntarily forgone an increase in salary this year, although they have indicated—the right hon. Lady will, I am sure, correct me if I am wrong—that they will take it next year. I question the wisdom of that move. By doing such things in the past, Members of Parliament have heaped odium on themselves. If the servant is worthy of his hire, he is worthy of the salary that Parliament has agreed after receiving the report of an independent review body. I counsel against gesture politics that can redound on the heads of those who indulge in it.

The issue is put in perspective if one goes along to the Library and picks up one of the fact sheets that the staff prepare. It is appropriate at this point to pay tribute to the staff of the Library who serve us so well. I have a copy of the fact sheet on ministerial salaries, which was revised this very month. It puts the issue in perspective to read the quotation from Macaulay, given in the fact sheet. Talking about the 18th century, he said:

"From the nobleman who held the White Staff and the Great Seal, down to the humblest tidewaiter and gauger, what would now be called gross corruption was practised without disguise and without reproach. Titles, places, commissions, pardons, were daily sold in the market overtly by the greatest dignitaries of the realm; in the 17th Century a statesman who was at the head of affairs might easily, and without giving scandal, accumulate in no long time, an estate amply sufficient to support a dukedom."

If we consider what went on in the past and the sums that were received, we put the modest recompense that we pay Ministers today in sharp focus.

It was because of the recognition of incipient corruption that our predecessors in the last century decided that they had to regularise the position. The fact sheet contains delightful extracts from the proceedings of the Select Committee on Official Salaries of 1850 which would repay study by all right hon. and hon. Members. Mr. Ellice asked Sir Charles Wood:

"If you were to reduce the salaries of public offices very much, would not the consequence be, that no persons who had not large private fortunes could venture to undertake them?"

Sir Charles Wood replied:

"That would be the consequence. If the salaries of these offices were brought so low as to exclude the possibility of men of small fortune taking them, I conceive it would do a most irreparable injury to the public service, and great injustice to such parties."

Perhaps the language would be slightly different today, but the sentiments still apply.

I wish to make a further, very serious point this afternoon at the beginning of the Government's time in office. We live in a parliamentary democracy with no separation of powers. Ministers of the Crown are Members in this or another place and the Executive are accountable here and in that other place. It is important that Ministers recognise that as their prime, most important duty. I exempt the Leader of the House—I have had the privilege of sitting on the Modernisation Committee in recent weeks and she has conducted that with exemplary skill—from any strictures that I may now make.

We have seen an unfortunate tendency in the past few weeks for Ministers to neglect that prime duty. That tendency was highlighted this afternoon by the right hon. Member for Chesterfield (Mr. Benn) in a point of order. He raised the creation of the rather strange Cabinet Committee yesterday and also cited some of the insults that the House has suffered in recent weeks. We have seen the leak of certain Budget information. Last week, we had to try to tease out of the Government, by means of a private notice question, certain significant developments on health. We then turned on our radios the next morning and heard that some far-reaching changes to our pension system were being proposed. They were not proposed here in the House, but via the "Today" programme. That is very serious. This very week, we have seen the extraordinary leaks from the Dearing report and the Government's reaction.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The debate is about ministerial salaries, not about events of recent days. The odd mention of such matters is perhaps all right, but concentrating on them is not.

Sir Patrick Cormack: But, Mr. Deputy Speaker, I am merely giving one or two examples of what Ministers receive their salaries for.

Mr. Deputy Speaker: Order. I am merely giving an instruction about how the hon. Gentleman should proceed.

Sir Patrick Cormack: Thank you very much indeed, Mr. Deputy Speaker. Ministers receive their salaries for performing their duties and one of their prime duties is to expound and defend their policies in the House. I am pointing out that, in recent days, we have had some sad examples of the neglect of that duty. I think that it is highly relevant to point that out when we are discussing ministerial salaries.

[Sir Patrick Cormack]

A time-honoured way of criticising a Minister is to move a motion that his salary should be reduced by a notional amount. I should not contemplate tabling such a motion relating to the right hon. Lady at the moment, but I am tempted to think that we might have to consider it for certain of her right hon. colleagues.

We strongly support the general principle of the Bill. As the right hon. Lady rightly said, it is entirely sensible that we should not have to come back year after year to debate this. She has our support on that. That is why the Opposition have no intention of seeking to divide the House. We are talking about ministerial salaries. As a result of the Bill, they will not have to come back year after year. There is all the more reason, therefore, for saying that Ministers should recognise the duties for which their salaries are paid.

The explanatory and financial memorandum says that the Bill provides the power to make orders to make different provision for different circumstances. That cannot lead to arbitrary increases, but it can be used in another way.

I revere this place. This is where the business of the nation should most properly be discussed. This is where announcements of policy by Ministers should properly be made. The prime duty of a Minister resides in this House. To neglect that and to bypass this House is to be guilty of a serious transgression. I hope that those for whom we are about to pass the Bill will recognise that next April, or whenever they take—as they are rightly due to take—the full salaries that Parliament has decreed should be theirs.

5.41 pm

Mr. Paul Tyler (North Cornwall): I do not want to follow the hon. Member for South Staffordshire (Sir P. Cormack) into the intricacies of leaks over recent weeks, ministerial responsibilities, or his historical references about what a duke could live on 150 years ago. I endorse his welcome for the Bill, because it takes away from the House the annual embarrassment of a vote on ministerial and other salaries as with the remuneration of Members of Parliament. I agreed so warmly with the hon. Gentleman that I am almost reluctant to point out to him that during 18 years in power, the former Government, of which he was not a member—I can at least allow him that absolution—broke that principle on many occasions. They broke the linkage and caused embarrassment deliberately for party political reasons. They lived to rue the day. I hope that that will not happen again.

It may not be immediately apparent to all hon. Members that the Bill is also relevant to salaries other than those of Ministers. I understand that it is the base on which the linkage is made for certain payments to Her Majesty's Opposition—the Conservative party. My hon. Friend the Member for Edinburgh, West (Mr. Gorrie) obtained the up-to-date figures a few weeks ago. The Leader of the House, in her capacity as President of the Council, was kind enough to give us the information. The current salary of the Conservative Leader of the Opposition is £55,000, paid by the taxpayer. The salary—also paid by the taxpayer—of the Opposition Chief Whip is £31,125, with the Opposition deputy Chief Whip receiving £20,029 and the assistant Opposition Whip also receiving £20,029. That makes a total of £126,183. I hasten to explain to anyone who is not aware of the fact that other Whips, including me, receive not a penny of public money from that source.

In addition, the salaries and costs of civil servants attached to the Conservative Opposition Whips Office are £88,657. The provision of a car and driver to the Leader of the Opposition costs an estimated £58,095. He has either a well-salaried driver or a big car. My right hon. Friend the Member for Yeovil (Mr. Ashdown) receives not a penny from that source to make sure that he is mobile.

The President of the Council referred to a little help in kind in her answer, telling us that

> "The House authorities supply the office with three copies of each of 12 daily newspapers for each day the House is sitting. An exact figure for the total cost is not readily available."—[*Official Report*, 10 July 1997; Vol. 297, c. *524*.]

Her Majesty's Opposition, in the form of the Conservative party at present, receive a substantial dollop of money. Now is the time to review that. The hon. Member for South Staffordshire properly drew attention to the fact that the Bill provides different provision for different circumstances. We have different circumstances in this Parliament. The appropriate ratios and remuneration for Her Majesty's Opposition in the 1992–97 Parliament are clearly inappropriate for the current 1997 to whenever Parliament.

I do not know the right criteria. Perhaps the payments could be age-related. The Leader of the Opposition is much younger than the leaders of some other parties. They could be size-related, based on the number of seats occupied by a party. The Conservative party occupies three or four times as many seats as the Liberal Democrats, so perhaps that is the right ratio.

There has been a qualitative, as well as quantitative, change in the role performed in this place by the parties. That has been apparent in recent weeks. This week, providing opposition to the Social Security Bill—the proper role of Her Majesty's Opposition—fell to the Liberal Democrats, because the Conservatives all went home, did not divide the House and did not argue against the Bill. Last week, when we debated the capping of local authority expenditure, the Conservatives were gone. Who performed the role of Her Majesty's Opposition? It was the Liberal Democrats. If there is to be remuneration, the money should go with the job. Now is the opportunity to review that.

We are talking about a considerable sum—at least, it is for my party; it may not be for the Conservative party. Some £300,000 or thereabouts is a goodly sum. It would get me out of some of the difficulties that I have in trying to employ the quality of staff I require.

Mrs. Cheryl Gillan (Chesham and Amersham): I have been following the hon. Gentleman's argument. How much would he like to receive?

Mr. Tyler: I am grateful to the hon. Lady for putting that suggestion to me. I should be happy to see what the Government were prepared to offer. Clearly, it would have to be on a pro rata basis. I have already suggested that the salary paid to the Leader of the Opposition might be age-related. My right hon. Friend the Member for Yeovil would then receive more than the leader of

the Conservative party. If the payment were based on the number of seats, the ratio might be different. That is not a matter for me. I am merely taking up the point of the hon. Member for South Staffordshire that the Bill provides for different levels of remuneration in different circumstances. I am saying that there are different circumstances in this Parliament and that we should follow that argument through to its conclusion.

Sir Patrick Cormack: How does the hon. Gentleman respond to the point made this afternoon by the right hon. Member for Chesterfield (Mr. Benn) that he is now a quasi member of the Government, receiving all the benefits that membership of a Cabinet Committee confers?

Mr. Tyler: I am delighted that the hon. Gentleman raised that point because he, like me, has an interest in history. He will know as well as I do that on several past occasions in our Parliament, Members of Opposition parties have taken a role in government. It has not been across the whole broad sweep of policy, but they have been involved in specific activities on specific issues where there has been agreement. I think that he is with me on this. I must not betray the confidences of the Committee considering the modernisation of the procedures of the House, but from his contributions there, I think that he understands and agrees that this is now a different sort of Parliament.

Mr. Deputy Speaker: Order. I understand the point that the hon. Gentleman is getting at. There is mention in the Bill of funding for Opposition parties, but it is a narrow Bill, primarily about ministerial salaries. I want to point that out to the hon. Gentleman.

Mr. Tyler: I am grateful to you, Mr. Deputy Speaker. I was led astray by the hon. Member for South Staffordshire.

The Bill provides a very good framework for ensuring that we do not have the annual argy-bargy on the Floor of the House on ministerial or parliamentary salaries. I hope that we can hear from the Leader of the House on the specific question of whether she is prepared to review those sums paid to opposition parties which come within the ambit of this Bill. In the meantime, I hope that we can acknowledge that this is a useful, sensible and flexible framework to work on in future. I welcome the Bill.

5.51 pm

Mrs. Cheryl Gillan (Chesham and Amersham): I echo the words of my hon. Friend the Member for South Staffordshire (Sir P. Cormack); I, too, have no intention of dividing the House on the Bill. I agree with the main thrust of the Bill, but I should like to make a few observations.

It seems fitting that, when we have an opportunity to consider ministerial salaries, we should look also at the performance that justifies a salary higher than that of an ordinary Back Bencher. The three matters that I wish to raise are serious and, as yet, unresolved. I hope that the Leader of the House will be able to shed light on them this afternoon.

In the commercial world, job performance is usually reviewed annually and improvements and an increase in responsibility are rewarded with a salary increase. The reverse process is also not unknown. For Ministers, that process is not so transparent, even to the individual Minister, who may not receive any appraisal of his or her performance. I hope that the Minister will address directly the points I wish to raise on the performance of certain Ministers who receive salaries in respect of duties they are, or were, expected to fulfil.

First, since the general election I have tabled 60 questions to the Department of Trade and Industry and indicated that a named day response was required, in accordance with the rules of the House. Of those 60 questions, 15 were answered directly and 45—more than two thirds—were delayed by a holding answer. At 3.30 this afternoon, 17 questions were still unanswered, but four have been answered subsequently. Mine is not an isolated case; other hon. Members have had the same experience. Today's *Hansard* indicates that at least 12 of the questions tabled to the Department of Trade and Industry were originally given holding answers. The answer to the question from my hon. Friend the Member for Maidenhead (Mrs. May) was a one-word answer, "No." What was so difficult about that that it took five more days than the target date? What hope is there for open government if the Minister, as was the case in that question, refuses point blank to list the name of colleagues in the House who have responded to a simple questionnaire?

Many of the questions that are unanswered are simple questions of fact, not complex policy issues. Madam Speaker has indicated that she has no remedy available to her. When the Ministers are receiving salaries of between £67,000 and nearly £88,000, we should not expect that level of performance. A complete failure to meet deadlines does not augur well.

The Department of Trade and Industry has not had an auspicious start with its new team. In addition to the prevarication—I hope that it is not incompetence—over written answers, there are other irregularities that have not been answered. The President of the Board of Trade receives a salary of more than £87,000 a year, but has not yet resolved the position of the Minister of State in another place, Lord Simon. Anthony Bevins, writing in *The Independent* on 15 July, asserts that the House of Commons was misled over the Minister's non-BP shares, which the President of the Board of Trade asserted in an answer to my right hon. Friend the Member for Wokingham (Mr. Redwood) had been placed in a blind trust. Apparently, the legal structure of the transfer was proposed on 18 June and, subsequently, my right hon. Friend was told that they had not, after all, been placed in trust. Has the transfer at last been effected? How can the President's pronouncements be reconciled with the facts? I hope that the Leader of the House will be able to give us an answer.

In addition, we are assured that the Minister is not now making decisions on any matters that may involve BP, but he is signing documents concerning gas liberalisation—

Mr. Deputy Speaker: Order. The Bill deals with the mechanism for ministerial salaries. The hon. Lady is now discussing the responsibilities of Ministers. In fact, she is

[Mr. Deputy Speaker]

discussing a specific responsibility. Will she talk about the mechanism for ministerial salaries rather than such specific matters?

Mrs. Gillan: I respect your pronouncements from the Chair, Mr. Deputy Speaker. I am trying to develop an argument that is directly related to the Bill, but it is taking me some time to reach the main point.

Mr. Deputy Speaker: Order. The hon. Lady will know that I give hon. Members some time to develop their argument, but after a certain stage I tell them that the development is over and that they must get to the point. The hon. Lady is now at that stage. She must deal with the specifics of the Bill.

Mrs. Gillan: Thank you for your guidance, Mr. Deputy Speaker.

Mrs. Ann Taylor: Perhaps I can assist the House and the hon. Lady. I understand that the Minister to whom the hon. Lady is referring does not receive a ministerial salary.

Mrs. Gillan: I understand—the Leader of the House will be able to confirm this—that the Minister does have a private office, a car and all the trappings that go with ministerial office.

Mr. Deputy Speaker: Order. I must tell both sides of the House that my ruling still stands. We are talking about a Bill dealing with the mechanism for salaries, not about the responsibilities of Ministers. There are other occasions for discussing such matters and perhaps the hon. Member for Chesham and Amersham (Mrs. Gillan) could use some ingenuity in finding them. She is not to raise them during the debate on this Bill.

Mrs. Gillan: Fine.

I shall continue to develop my argument. I was seeking to make the point that, despite the fact that the Minister to whom I am alluding has waived his salary he is in receipt of the trappings of ministerial office and—

Mr. Deputy Speaker: Order. I want to help the hon. Lady. She will see that the long title says that the Bill would

"Make provision for the alteration of salaries payable under the Ministerial and other Salaries Act 1975."

The trappings of office have nothing to do with the Bill.

Mrs. Gillan: I am linking that with another Minister in the Department of Trade and Industry where an alteration of salary should perhaps be considered. If I can continue with my thread—

Mr. Deputy Speaker: Order. I do not like to be blunt, but I must be blunt now. No, the hon. Lady cannot continue with her thread. She must get back to the specifics of the Bill.

Mrs. Gillan: I shall move on to discuss another Minister in the Department of Trade and Industry—the Minister for Competition and Consumer Affairs. I believe that he receives a salary of about £67,500. Before that Minister entered office, he expended a great deal of effort—rightly—getting to know the travel industry and I think that he considers himself an expert. I am sure that the travel industry welcomed the fact that he gained ministerial responsibility for receiving the as yet unpublished Monopolies and Mergers Commission report into the travel industry.

According to a written answer from the President of the Board of Trade, on 1 July the Minister for Competition and Consumer Affairs withdrew from those responsibilities—a couple of days after allegedly making remarks prejudicial to the inquiry at a travel conference in Athens. I have tabled a question asking why he has withdrawn from the inquiry. According to a letter from the President of the Board of Trade to my right hon. Friend the Member for Wokingham, the Minister made some comments regarding his fixed views from which he is not prepared to resile. Because of that obvious conflict, he has had to sacrifice the knowledge he so assiduously gained from years of travelling and instead take no role in the proceedings.

If the Minister finds himself unable to perform on an important part of his brief, for which he receives a ministerial salary, why are we paying him at that level? However, if, as the President of the Board of Trade said in a written reply to me, the remarks he made in Athens were fully in line with Government policy and innocuous, why has he removed himself from the MMC inquiry? There is a discrepancy between the Minister's action and the letter to my right hon. Friend the Member for Wokingham and the written response by the President of the Board of Trade.

There are discrepancies concerning the other Minister but you, Mr. Deputy Speaker, have ruled me out of order. Before the Bill passes through the House, I hope that the Leader of the House will cover the two matters I have raised, not least to clarify the obvious confusion that has been created by delaying and blocking answers, conflicting statements and some rather surprising manoeuvres by the Minister for Competition and Consumer Affairs in removing himself from part of the job that he was originally billed by the Government as fulfilling in return for a ministerial salary. Within two months of entering the Government, both that Minister and the Minister for Trade and Competitiveness in Europe appear to have changed their ministerial briefs radically. Questions will persist in all our minds unless the Government deliver full explanations.

In the commercial world, where an individual is recruited to fulfil a highly paid specific role, it would be most unusual for that role to change within a few days of taking up the appointment without a full inquiry and exchange of information. Our standards should be no less in government—indeed, it is arguable that they should be far higher.

Mr. Deputy Speaker: Order. I speak again because the hon. Lady is worrying me with her statements, which are not relevant to the Bill. The Bill is about how ministerial salaries will be adjusted in future, yet the hon. Lady is talking about specific Ministers and their role. There may be some other way—perhaps an Adjournment debate—

whereby she can raise these matters and get the Ministers responsible to give an account of themselves. She really is going well outside the scope of the Bill.

Mrs. Gillan: Thank you for that advice, Mr. Deputy Speaker. I was just concluding my remarks in a way that is directly related to the Bill. Questions must be asked when Ministers who have waived or who are in receipt of full ministerial salaries have their briefs cut down in size, whether voluntarily or involuntarily. Should not explanations be provided and perhaps even adjustments made in their salaries in response?

I hope that the Leader of the House will respond in the spirit in which I have raised these matters, because there are few opportunities to do so in the House. I hope that she will give a full answer tonight.

6.2 pm

Mrs. Ann Taylor: With the leave of the House, Mr. Deputy Speaker, I shall reply briefly to the debate.

I shall start with the hon. Member for Chesham and Amersham (Mrs. Gillan), who invited me to enter into the spirit of her comments. On that basis, I do not think that most of her comments were relevant to the debate and the spirit of the debate was somewhat marred by her unnecessary accusations. Indeed, they detracted from its main purpose, which is to discuss how ministerial salaries will be adjusted in future.

However, I shall take up one point that the hon. Lady raised—that relating to Ministers' job performance. She will know from her time as a Minister that it is not true to say, as she did, that there is no appraisal of Ministers. Leaving aside the obvious appraisal by the Prime Minister and the resulting promotions and demotions, all Ministers, like all Members of Parliament, are under constant appraisal, not only by other hon. Members and the general public, but by their constituents. That is probably the best possible type of appraisal.

Mrs. Gillan: I hope that the right hon. Lady appreciates that I have raised this matter tonight because I consider it to be a matter of great concern. How does she suggest we remedy the situation when Ministers who are responsible for entering into the spirit of the Standing Orders of the House, such as Standing Order No. 18 by which we table questions for an answer in three days, do not meet those targets? How does she suggest we enable Ministers to meet those targets? What sanctions are available to us when they fail to do so? Madam Speaker ruled that there were no sanctions available to the House and that it was entirely up to Ministers.

Mrs. Taylor: I recall the hon. Lady raising this point before; we checked from the time when she was a Minister at the Department for Education and Employment. It was quite common then for Ministers in that Department to use holding answers where they thought it appropriate. That will continue to be the case. Doing so is often not the Minister's preferred option, but the House is entitled to accurate answers and that may require the use of a holding answer.

To return to the main purpose of the Bill and of the debate, I was pleased that the hon. Members who spoke, even the hon. Member for Chesham and Amersham, welcomed the Bill and the thrust of the proposals. The measures have been around for some time and it is important that there should be consensus in the House when we are dealing with topics of this nature. I therefore welcome the remarks of the hon. Members for South Staffordshire (Sir P. Cormack) and for North Cornwall (Mr. Tyler). We are all of one mind about the purpose of the legislation. We are also all of one mind that it is somewhat undignified for Members of Parliament to have to vote either on their own salaries or on that of Ministers. That should be avoided as far as possible and the Bill is a step in that direction.

Not surprisingly, given his background, the hon. Member for South Staffordshire gave us some history to the issue, which put into perspective some of the comments we occasionally hear about salaries, both of Ministers and of hon. Members. He raised questions about the voluntary denial ordinance on Cabinet Ministers. It is true that Cabinet Ministers, who are entitled to a salary of £60,000, are actually taking the old salary, which I am informed is £43,991. He questioned the wisdom of that. I understand why: if people do not fall in line with recommendations, there can be problems relating to catching up or to future increases. I say simply that my right hon. Friend the Chancellor of the Exchequer had made it clear before the election that he was opposed to the move and it was a case of keeping that promise. However, the hon. Gentleman was right to point out the difficulties that can occur.

Sir Patrick Cormack: So that we are in no doubt, will the right hon. Lady confirm whether it is the Government's intention that Ministers should take next year what they have forgone this year?

Mrs. Taylor: It was made clear at the time of the announcement that the new salaries would not be taken and that we would not take what we had forgone by way of receiving the money at some stage, but that we would go on to the new salary level at the start of the next financial year. I had one slight disagreement with the hon. Gentleman when he said that Ministers receive modest recompense. I do not think that it is modest any more and one way to ensure that it is in line with what it should be is to use a mechanism such as we propose in the Bill.

The hon. Member for South Staffordshire spoke about the fact that we do not have separation of powers or Ministers from outside Parliament and that Ministers should be responsive and ensure that they are always accountable to the House. That is a point of principle on which there can be no disagreement whatsoever and it is important that we stick by that practice. Serious attempts are made to do so and Madam Speaker's comments about a significant change in Government policy being reported to the House are something that Ministers can and do take on board.

The hon. Member for South Staffordshire should not always believe everything he reads in the papers, or assume that every point of order raised on the Floor of the House is correct. Yesterday, the hon. Member for Woodspring (Dr. Fox) suggested that the White Paper on Scottish devolution had been deliberately leaked. I wrote to him immediately asking for the evidence that he said was in his possession. I also contacted my right hon. Friend the Secretary of State for Scotland, who made inquiries in his office and with the newspaper concerned. We were able to say categorically that there had been no

[Mrs. Taylor]

such leak. The hon. Member for Woodspring appears to have accepted the point and he wrote me a letter this afternoon to that effect. Sometimes points of order create the impression that something has gone wrong when that is not necessarily so.

Sir Patrick Cormack: Of course I accept what the right hon. Lady has just said. Equally she will accept that there has been a disturbing number of leaks. I hope that she is as opposed to them as we are.

Mrs. Taylor: I am not sure that that is right. I do not want to imply that I disbelieve the hon. Gentleman, who speaks in good faith, but sometimes people have looked at what is written in policy documents before the election and drawn assumptions about what has later been translated into policy. That is not deliberate leaking: it is people working out the direction of Government policy. That is wholly reasonable.

I want to get back to the debate and to the Bill, since I see you on the edge of your seat, Mr. Deputy Speaker. I am glad that there is agreement about moving in the proposed direction. I welcome the points made by the hon. Member for North Cornwall, who spoke of taking away the annual embarrassment. That is what this is all about. Indeed, during the previous debate on these measures, a Conservative Member called the procedure demeaning—and so it is when Ministers and Members of this House have to vote on these issues.

The hon. Member for North Cornwall raised some interesting points about the salaries of the Leader of the Opposition and the Opposition Chief Whip. I have said for a long time that I believe that there is a strong case for looking at the funding of political parties. There is widespread agreement that the issue should receive further attention. Given the increased number of Liberal Democrats in the House, I understand why the hon. Gentleman is anxious to emphasise that the balance within the Opposition has changed. He is also anxious to make the point that he opposed certain ideas the Conservative Government did not oppose—but that is for Opposition Members to decide. They can argue among themselves about who the Opposition on any particular topic really are.

It is important to have an official Opposition, and we think it right to give public funds to Opposition parties to assist them to carry out their functions in this House. That is good for a healthy democracy. Hon. Members may squabble about the amounts, but the principle has been established and it should command general agreement.

Mr. Tyler: Does the right hon. Lady agree that this, perhaps, is the moment at which an initiative in this area would be most timely, given public concern about the financial difficulties in which political parties in opposition find themselves if they are not properly resourced to perform their functions? Those functions are a necessary part of democracy and of this place. Furthermore, does she agree with the current concern about foreign donations to some political parties? This may be a good moment for that to be reviewed in a wider context.

Mr. Deputy Speaker: Order. I trust that the right hon. Lady will not respond to that intervention, which had nothing to do with the Bill.

Mrs. Taylor: I shall of course follow your guidance, Mr. Deputy Speaker, and not respond—except to echo what I said earlier. There has long been a case for reviewing some of the wider issues that have been tangentially raised this evening.

When the hon. Member for Chesham and Amersham asked him what salary he thought he should be paid, the hon. Member for North Cornwall replied that he was open to offers. It is not for me to make any offers on the basis of age or size—whatever the hon. Gentleman's suggestion meant—but in the long term, as the hon. Gentleman said, issues of this kind can be reviewed.

This is a modest measure, both simple and straightforward. It will be of great advantage to the House to remove these salaries as far as possible from our remit. On that basis I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

Motion made, and Question put forthwith, pursuant to Standing Order No. 63 (Committal of Bills),

That the Bill be committed to a Committee of the whole House.—*[Mr. Dowd.]*

Question agreed to.

Further proceedings postponed, pursuant to Order [18 July].

MINISTERIAL AND OTHER SALARIES BILL
[MONEY]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Ministerial and other Salaries Bill, it is expedient to authorise any increase attributable to the Act in the sums payable out of money provided by Parliament, or charged on the Consolidated Fund, under the Ministerial and other Salaries Act 1975.—*[Mr. Dowd.]*

Question agreed to.

Ministerial and other Salaries Bill

Considered in Committee.

Clauses 1 to 3 ordered to stand part of the Bill.

Bill reported, without amendment.

Bill read the Third time, and passed.

Lockerbie

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

6.18 pm

Mr. Tam Dalyell (Linlithgow): It would be churlish of me not to offer a dollop of sympathy to my hon. Friend the Minister for Home Affairs and Devolution, Scottish Office, because he comes now to a debate on a subject on which there have already been 11 Adjournment debates. I know very well that he is responsible for an important White Paper tomorrow, but parliamentary good fortune seldom smiles on us. It is my good fortune, however, to have the time to deploy yet again an aspect of the case that is Lockerbie. I offer no apology for doing so, however, because the matter is not trivial. It is extremely important, not only for the relatives who want the truth about the death of their loved ones on 21 December 1988, but from the point of view of our country.

Before charges were laid, my hon. Friend the Member for Clydesdale (Mr. Hood), who is present, several others and I went to Libya. Apart from anything else, we saw the importance of Libya to the British economy. It is an Arab country which is placing massive orders. Anyone who doubts the importance of this issue should know that it is reliably reported that, when President Mandela came to visit my right hon. Friend the Prime Minister last week, at the South African President's insistence this subject took up 40 minutes of the hour that he had with the British Prime Minister. It is, therefore, a matter of considerable importance, and the time of the House of Commons is not improperly used on the issue.

I shall take the opportunity that parliamentary time has given me to explain to the Crown Office the background of the questions that I repeatedly ask different Ministers.

It began back in December 1988—new year's eve, to be precise—when a police officer, a constituent and friend, came to me and said that he was very worried about so many Americans, on the awful site of Lockerbie, searching and rummaging through the wreckage, and possibly destroying important evidence.

The purpose of this Adjournment debate very much concerns the police. It is to request that the incoming Government ask a judge of the Court of Appeal in England, or a distinguished judge from the European Community, or Judge David Edward QC, who is the very distinguished Scottish jurist in the European Court, to review the material that the Crown Office claims to have, and to request that we have a fresh mind on the crucial evidence that the Crown Office says that it has against the two Libyan suspects.

The purpose of the debate is also to request that, eight and a half years after the event—with no ill reflection on the Dumfries and Galloway constabulary, or policemen who I believe have worked hard and honourably—the responsibility should be transferred to the Metropolitan police, with its international contacts. Later I shall explain—against the background of my visit to the Metropolitan police, at the request of the Commissioner of Police of the Metropolis, to meet an assistant commissioner—why I request that. It is because of the international contacts of the Metropolitan police.

I return to what we believe happened at the start of the tragedy. I do not minimise the appalling nature of the crime. Anyone who, as I did, went down to Lockerbie and

[Mr. Tam Dalyell]

saw the remnants of a huge airliner strewed over the Scottish countryside must acknowledge that pictures could not convey the horror of that scene. Police from Strathclyde and Lothian, and I believe from the Minister's county of Fife, had to be bussed down there day after day, to help out the smallest force in Britain.

It began, many of us believe, with the shooting down, without apology, by the USS Vincennes of an Iranian airliner carrying about 350 pilgrims from Iran to Mecca. The Iranian Minister of the Interior at the time was Ali Akbar Mostashemi. Mostashemi made repeated statements that blood would rain down in revenge for what had happened. Crucially, he had been the Iranian ambassador in Damascus from 1982 to 1985. He had close contacts with the terrorist drug gangs of Beirut and the Beka'a valley.

Those gangs had infiltrated an American drugs sting operation, by which heroin was taken from the Beka'a, via the Rhein-Main airport in Frankfurt and into the United States. They got hold of a very naive first-time courier; his name was Khaled Jafar. The young man was told that he would be met by "friends" when he reached Frankfurt. He took with him a Samsonite case of the very type that was to feature in the fatal accident inquiry and in the Lockerbie case. The so-called friends took him for, doubtless, a lovely day in Heidelberg and the Neckar valley, during which time other friends—the Neuss gang, for it was they, and Marwen Khreesat in particular—changed the contents from heroin to Semtex. Crucially, the Samsonite case was exempted luggage because of the arrangement at a very high level of the American and German Governments. That is how it got through the usual careful procedures at Frankfurt airport.

I need not go into the rest of the story and the explosion, except to say that some of us believe that, within hours, the Americans had guessed, at a very high level, what had gone wrong. It is a matter of fact that the American helicopters were on site within an hour and 25 minutes. It is a matter of fact that warnings went out to personnel of the embassy in Moscow that they were not to travel. It is also conjecture with a great deal of evidence behind it that the South African general staff, Generals van Tonder and Malan, Rusty Evans and Pik Botha, were pulled off that aeroplane. It is also suggested that a number of service men in the American forces in the Rhine army were taken off the pre-Christmas flight.

Places became available and those were taken mostly by students—the young Flora Swire, the young Bill Cadman, Pamela Dix's brother, Helga Mosey and, crucially, 32 students of the university of Rochester, New York. Had it been suggested that during the changing presidency in America—it was the interregnum between President Reagan and President Bush—the American Government and authorities knew sufficient to pull off VIPs and let students and young people travel to their doom, American public opinion would have been outraged.

We believe that, at a very early stage, the American Government asked the then British Prime Minister, Margaret Thatcher, to play Lockerbie low key. It is an incredible fact which I draw to the attention of my hon. Friend the Minister of State that, in the 800 self-serving pages that Margaret Thatcher wrote, she never mentioned Lockerbie once. What she did say was that the "much-vaunted" Libyan retaliation for her unwarranted attack on Ben Gazi and Tripoli in 1986 never came about. If the British Prime Minister, with her access to intelligence, really believed that, how on earth could she suppose that the Libyans were responsible for the Lockerbie crime?

That is part of the background. We also believe that there never was a Malta connection and that Mr. Tony Gauci of Mary's house in Valetta gave all sorts of different identifications of the people to whom he was supposed to have sold clothing. The hard fact is that, in a court case, Air Malta won damages against Grenada Television for suggesting that it was lax or involved. The Maltese Government, the Maltese police, the airport authorities and Air Malta do not accept that unidentified baggage left Valetta airport.

The Crown Office must consider many other aspects of the legal case. It must forgive our curiosity about how much can be built up from the so-called "forensic evidence" of a slither of micro-circuitry found we do not know when, by whom or in what circumstances, but subject, it appears, to a Scottish winter. And what a Scottish winter or a winter in the Fielder forest would do to a small, delicate mechanism, heaven only knows. Furthermore, the Crown Office has absolutely refused to show its so-called "evidence" either to Edwin Bollier, the head of the makers, or more seriously to his engineer, Ulrich Lumpart. There may be all sorts of legal reasons—one might think that they are legal excuses—for not doing so, but, after eight and a half years, are we not after the truth of what happened, rather than sticking rigidly to tight legal precedent when the price of that tight legal precedent to our country is simply enormous in terms of our relations with the Arab world?

This is more a Foreign Office matter, but I have put two oral questions, which will have been brought to the Prime Minister's attention, first in June and then on 16 July. Like many serious lawyers in Edinburgh, I have ceased to believe that the Crown Office has a case that would not be thrown out within days by any Scottish judge on the ground that there is no case to answer. Bluntly, there has been no serious effort to find the truth. This is a terrible thing to say, but had an effort been made to find the truth, the makers of the critical evidence would have been shown their own slither of micro-circuitry to establish, for instance, its colour. I gather that one cannot judge from a photograph and that the colour might be crucial, in that one batch went to Libya but another went to the Stasi in East Germany. That might have led to a different destination, which was not Libya. Some effort would have been made to ascertain whether the alleged evidence of the timing device went either to East Germany or to Libya, and how.

Many other aspects cast great doubt. One of them dates back to March 1989, when my curiosity was really aroused. That was when the then Secretary of State for Transport, Paul Channon, made a statement at the Garrick club to some half dozen journalists to the effect that he thought that the Lockerbie crime would be solved within days or weeks. I had known Paul Channon since he was Rab Butler's parliamentary private secretary. He is neither a liar nor a fantasist, and he is careful about what he says. It is inconceivable that he would have said that unless he had meant it. I also find it inconceivable that the journalists—experienced Lobby correspondents—misunderstood or misheard what he said. The conclusion

to be drawn is that requests—indeed, orders—in relation to Lockerbie came from a much higher source, namely 10 Downing street.

The Minister of State has notice of a number of serious letters from lawyers in Edinburgh on this matter, which my parliamentary good fortune allows me to go through properly. The first is from Peter Anderson of the well-respected firm, Simpson and Marwick. In his letter to the Prime Minister of 23 June, he says:

"My attention has been drawn to the question put to you by the . . . M.P. for Linlithgow on 18 June 1997 (Hansard 309/310). Whilst mention of my name contributed nothing to their weight and substance, can I nevertheless respectfully suggest that the question and proposal which were advanced, merit very careful additional consideration by your new Government."

Mr. Anderson states:

"My interest and involvement in the appalling tragedy of the Lockerbie disaster is well known. I have acted for Pan Am and its insurers throughout and do still have some limited involvement in defending personal injury claims of alleged stress from Lockerbie area residents where liability is denied. This letter however is not written in any capacity as representative of my clients and is not on their instructions or with a view to promoting their interests. Pan Am effectively went out of business following the disaster and the insurers have paid out many millions of dollars which cannot be recovered just because the Libyan connection is doubted. As a result of my fairly extensive knowledge of the background, I do have scepticism as to whether the Crown Office have properly identified the correct accused, and that is shared by many, journalists, lawyers and others. That scepticism grew during my representation of Pan Am and its insurers in the course of the five month Fatal Accident Inquiry in 1990/91, when, as I am sure you have been advised, the now Lord Advocate was senior Crown Counsel assisting the then Lord Advocate, Lord Fraser of Carmyllie QC. It was heightened during the civil damages trial in New York by what I understand was the evidence led there before Chief Judge Platt, and also, importantly by the evidence which he excluded."

I believe that, after the Secretary of State, I was the first Member of Parliament whom Lord Hardie saw after his appointment. He received me in the Crown Office most courteously. I am sure that my right hon. Friend is an honourable man, but as he was a participant in the fatal accident inquiry, he should recognise that there is an additional reason for having a fresh mind look at the topic.

Peter Anderson goes on:

"It would be unfair to ask you to consider the series of detailed points that exist made to question whether the two Libyans are still properly to be regarded as the murderers. In my assessment however, the Crown case to the effect that the Libyans achieved the destruction of Flight 103 over Lockerbie by introducing in Malta an unaccompanied bag containing the bomb for transit to Frankfurt and subsequent transfer has always been highly questionable and circumstantial. There is a strong body of evidence from Air Malta to the effect that no unaccompanied bag did travel to Frankfurt carrying an interline tag showing the ultimate destination of New York. For reasons a British lawyer finds extraordinary, Chief Judge Platt chose to exclude that evidence from the consideration of the Jury in the New York civil damages trial. Even if that evidence is disregarded, it has always seemed to me inherently improbable that sophisticated terrorists would adopt a method which required an unaccompanied bag containing a bomb to travel undetected through Malta Airport, then through Frankfurt and then by transfer at London Heathrow onto the Boeing 747 which was ultimately destroyed. The prospects"—

says this careful lawyer, Peter Anderson—

"of discovery, inadvertent detonation on some non-US flight or failure to make a connection, makes that scheme full of uncertainty. Such a plot becomes even less likely given that it is known that in late 1988 an Arab terrorist group had a bomb maker in Germany"—

this is a reference to Marwen Khreesat—

"who had been detected fitting explosives in a radio of the same type which is said to have contained the Lockerbie bomb and given also that it would have been relatively easy for an airline worker (perhaps Arab or sympathiser, or pressured) in Frankfurt to introduce the suitcase containing the bomb onto the Boeing 737 Pan Am feeder flight from there to London thus avoiding the x-ray and other security measures. That is inherently much more likely."

The Crown Office must reflect on what a heavyweight Edinburgh lawyer says about that. Anderson goes on, however. Assuming that I would be limited to the usual half-hour Adjournment debate, this is a particular part of the letter to which I drew the attention of officials as soon as I knew last week that I was lucky in the ballot.

Anderson states:

"These are just a few of the main points which, in my respectful submission, do require careful attention and the time is now right for reconsideration. I am an admirer of the Lord Advocate for his many qualities and not least because of his tenacious cross-examination of my witnesses at the FAI. I do not for an instant question the integrity of Andrew"—

the Lord Advocate—

"or for that matter any of the other Crown Office officials who have been involved in this case. Unfortunately, the same cannot be said for all of the forensic witnesses whose evidence is vital. At least two have been discredited, one, as I understand because of evidence given in a high profile terrorist trial which was later found to be unsatisfactory and unsafe."

That is a reference to James Thurman. I raised with the previous Prime Minister in oral questions the circumstances in which James Thurman was removed from his job and the possible consequences for the Lockerbie case.

Anderson goes on:

"It does appear to me that perhaps the Law Officers and the Crown Office have become too closely identified with a particular view and it is time for an objective reassessment of the evidence. None of that was possible during the FAI"—

the fatal accident inquiry—

"where security considerations were high, as was the fear of prejudice to a criminal trial. The forensic witness was led without warning or any opportunity to prepare cross-examination. The evidence about when, where and how bits the bomb and especially the detonator were found much later has never been tested and needs particular scrutiny."

That is a matter to which particular scrutiny should be given by Judge Edward or a judge of the Court of Appeal or a European judge. I hope that the amour-propre of the Scottish legal system will not be a barrier to pursuing that line of inquiry.

Peter Anderson is sensitive to that point. He states:

"An ideal candidate to undertake such a review may well be Judge David Edward who, as you know, is Britain's Judge in the European Court and a most distinguished Scots Jurist. Certainly I urge you"—

he is addressing the Prime Minister—

"to give the most serious consideration to an independent and no doubt confidential review of the Crown case."

Mr. Anderson continues:

"I am of course well aware that there are very large interests and considerations both in Britain and especially the United States which are suited by Libyan blame and it is generally more comfortable to maintain the stance that Libya and its agents were responsible, but it seems to me that principles of Justice ought, especially in a new age of political hope, to rank higher."

I have been in this place for 35 years, and I am not unconscious of Washington's overwhelming influence on any British Government. The question is: what will

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happen in the United States as a result of the on-going lawsuits involving not only James Thurman, but Juval Aviv, who was acquitted by an American court?

For the sake of coherence and fairness, I turn now to the reply that Peter Anderson received in a letter from Philip Barton, writing on behalf of the Prime Minister, on 16 July. Mr. Barton says:

"The Prime Minister has asked me to thank you for your letter of 23 June about Lockerbie. Your letter raises a number of points about the evidence against the two Libyan accused.

As I am sure you are aware, the prosecuting and investigating authorities have been scrupulous in avoiding the disclosure of details of the evidence in the criminal case for fear of prejudicing the prospects of a trial of the two accused. I can therefore understand why you are concerned about the sufficiency of the evidence. Inevitably, those with access to all the evidence are in the best position to assess the sufficiency of the evidence against the two accused. Four Lord Advocates have concluded that the evidence available against the two Libyan accused is sufficient to justify the proceedings that have been taken against them."

Privilege applies in the House of Commons, and I am very careful about what I say under the rules of privilege. However, I said the same thing in the Inner Temple when I was asked to speak about the matter. Admittedly Lord Justice Hurst, who was in the chair, was extremely uneasy—that may be an understatement—about my comments. However, I bluntly repeat them now.

I think that the first Lord Advocate was in a very vulnerable position. He had lost a blue-chip Conservative seat, which his party believed he should not have lost. He was then appointed Lord Advocate, with great murmurings from heavyweight legal Edinburgh. Soon after, he was faced with a dilemma: pressure was applied from Downing street, as a result of pressure from Washington, that he should restrain himself—I shall put it that way—on the subject of Lockerbie.

I do not know the extent to which Law Officers react when faced with raison d'être and requests from Downing street. I can say only that, being human, it would be very easy for a Lord Advocate to acquiesce in the requests of his Prime Minister. It is rather unlikely that that Lord Advocate would say boo to that Prime Minister.

I assure my right hon. Friend the Prime Minister that I am not impressed—and nor are several Edinburgh lawyers, including the professor of Scots law at the university of Edinburgh—that four Lord Advocates have come to similar conclusions. I do not think that I shall be misunderstood when I point out that those four Lord Advocates were advised on the subject by the same one or two important officials. In the circumstances, I do not ask for any kind of investigation of the officials. However, for heaven's sake, it is now eight and a half years later and many of our interests in, and relations with, the Arab world are involved. A legal mind from outside should at least take a fresh look at the case. That is my response to that paragraph of the letter written on behalf of the Prime Minister. Mr. Barton continues:

"You may have evidence that has a bearing on the case against the two Libyans. The investigation remains open and the prosecuting and investigating authorities will consider any evidence brought to their attention. If you do have any evidence pertinent to the criminal investigation, I would urge you to bring it forward so that it can be properly considered."

That is a very passive attitude to adopt in view of what we have read about the findings of the state prosecutor in Frankfurt regarding Abolhassem Mesbahi, a co-founder of Iranian intelligence. I consider everything that I read with great caution, but it is not realistic simply to imply that some Iranian who is in hiding in Germany should report to the police in Dumfries and Galloway. That is part of my argument as to why the case should be handed to the Metropolitan police, who deal with their international contacts every day. Mr. Barton continues:

"You suggest that the Law Officers and Crown Office have become so closely identified with a particular view that their assessment of the evidence is partial. The Lord Advocate in the discharge of his legal duties is entirely independent from Government influence."

I am sorry, but a hoarse laugh from one in this place who has watched Lord Advocates and Crown Officers over 35 years. Lord Advocates, like Attorneys-General, are members of the Government and must balance various issues. Mr. Barton goes on:

"It is quite unthinkable that one Lord Advocate, let alone four, would allow themselves to be associated with anything other than a fair consideration of all the evidence."

I am sorry, but it is not unthinkable to me—it is all too thinkable. The letter continues:

"You also suggest that a Judge of the European Court should review the evidence. I should point out that consideration of the evidence in a criminal case is a matter within the exclusive purview of the Lord Advocate."

Does the Lord Advocate really determine the nature of our relations with the Arab world—a subject upon which President Mandela, on behalf of the Organisation of African Unity, spent two thirds of his time with the Prime Minister? Is that matter simply to be left to the Lord Advocate and the Crown Office? That is preposterous. The letter continues:

"If the Lord Advocate concludes that there is a sufficiency of evidence, after a full consideration of all the details of that evidence, then the appropriate forum to test the case is the criminal trial of those standing accused of the charges."

Again, that is all very well, but we have no extradition treaty with Libya. The Libyans say, "We see the Birmingham Six and the Guildford Four. We hear all these rumours of unsafe decisions in British courts of law. What on earth will happen to the Libyan Two?" I put it to my hon. Friend the Minister that, if the boot were on the other foot and there were two Scots whom we believed to be innocent, I am not sure that we would ship them to Tripoli, so I am not impressed by that part of the reply.

Peter Anderson's response was:

"I received the expected reply from the Prime Minister's Private Secretary and attach a copy of it. Whilst it says what I always thought it would, I seriously question whether any of the four Lord Advocates have reviewed, with detailed scrutiny, the evidence and whether they have asked the pertinent relevant questions of those who have been reporting to them."

That is Peter Anderson's view; it is also mine. It will be within the knowledge of my hon. Friend the Minister that I asked for an interview with the Government's troubleshooter, the Minister without Portfolio, who gave me half an hour, listened attentively and undertook—I am sure that he will carry out his word—that the matter would be looked at in various places in the Government. Now is the urgent time to set about that task, as my hon. Friend promised.

On 17 July, I asked the Prime Minister,

"pursuant to . . . the answer of 11 July, *Official Report*, column 626, if he will transfer responsibility for the Lockerbie bombing to the Metropolitan police."

The Prime Minister replied:

"Dumfries and Galloway Constabulary have from the outset conducted the Lockerbie Criminal Investigation. There is no reason to depart from that. The investigation relates to the mass murder of 270 people committed in Scotland. My noble and learned Friend, the Lord Advocate, has responsibility for ensuring that crimes in Scotland are properly investigated and Section 12 of the Criminal Procedure (Scotland) Act 1995 authorises him to issue instructions to any Chief Constable with regard to reporting offences alleged to have been committed in his area. The transfer of this inquiry to the Metropolitan Police would remove that power from the Lord Advocate in this case and would impede the proper investigation of it."—[*Official Report*, 17 July 1997; Vol. 298, c. *258*.]

I should like to know what proper investigation has been done. Has there been any investigation of reports coming out of Qom in Iran? My hon. Friend the Minister will have received documents from Mr. Stephen Breen of *The Scotsman* on what has happened at Qom, the holy city in Iran. There were claims, on 23 December 1988, that great vengeance had been taken on the Americans, with all sorts of colourful language beloved of certain mullahs. When the Iranian Government found that the situation was really very awkward, they decided that they should all be withdrawn by the holiest of orders and commands.

All that material, which was given to *The Scotsman* and its reporter, Mr. Stephen Breen, who has taken such a long-term and sustained interest in these matters, was sent to the Crown Office. I give this as an example. How can one expect the Dumfries and Galloway police, for all their virtues, to have the resources to launch an investigation that may well mean making detailed inquiries through some Iranian expert, and certainly our embassy in Teheran? That is one reason why the matter should be given to the Metropolitan police.

There is another reason. Because of my interest in Lockerbie, I became extremely concerned—it should be the concern of the Crown Office, too—about the brutal and terrible murder in this city of Woman Police Constable Yvonne Fletcher. With the agreement of Queenie Fletcher, her mother, I raised with the Home Office the three remarkable programmes that were made by Fulcrum, and their producer, Richard Bellfield, called "Murder at St. James's". Television speculation is one thing, but this was rather more than that, because on film was George Stiles, the senior ballistics officer of the British Army, who said that, as a ballistics expert, he believed that the WPC could not have been killed from the second floor of the Libyan embassy, as was suggested.

Also on film was my friend, Hugh Thomas, who talked about the angles at which bullets could enter bodies, and the position of those bodies. Hugh Thomas was, for years, the consultant surgeon of the Royal Victoria hospital in Belfast, and I suspect that he knows more about bullets entering bodies than anybody else in Britain. Above that was Professor Bernard Knight, who, on and off, has been the Home Office pathologist for 25 years. He was considered a distinguished enough pathologist to be put in charge of Cromwell street. When Bernard Knight gives evidence on film that the official explanation could not be, it is time for an investigation.

With the agreement of the Home Secretary, I contacted Sir Paul Condon, who was very helpful and said, "You must go and talk to my assistant commissioner, David Veness." I spent the Thursday before last—I had never done it before—in Scotland Yard, and talked at length, explaining exactly why I was seeming to meddle in the case of Yvonne Fletcher. I have to say that the senior police officers, David Veness and Chief Detective Superintendent McDowall, were extremely nice to me, and said, rather movingly, that in 20 years there were half a dozen crimes that they would particularly like to solve, and Yvonne Fletcher's was one of them, because she was, as they put it, "one of our own". I can understand that.

I then asked, "In this kind of investigation, frankly, can any small force conduct the international type of inquiry that the Met can, with its resources?" The answer was no. I am not saying to the House that the Met was asking to be involved in Lockerbie. I am just stating the fact that if we are serious about it, it must be the major police force, and not, for all its virtues, a small police force. I understand that fourth-generation police officers are now dealing with the case, as those who were there in 1988 are either retired or promoted—and probably very rightly promoted, as in the case of the present chief constable of Lothian, Roy Cameron. Let us be realistic about the matter.

On 17 July, I asked the Prime Minister,

"pursuant to his answer of 14 July . . . what steps he proposes to bring to a conclusion the Lockerbie issue."

The Prime Minister replied:

"As I told my hon. Friend on 18 June, *Official Report*, column *509*, we will try every avenue to make progress in this matter, but the onus is on Libya to comply with the relevant United Nations Security Council Resolutions."—[*Official Report*, 17 July 1997; Vol. 298, c. *258-59*.]

Those resolutions, however, were formulated a long time ago. That is deeply unsatisfactory—and even more unsatisfactory, as the Crown Office should realise, because of what happened in relation to Juval Aviv.

On 18 June, I asked the Prime Minister

"if he will discuss with President Clinton the consequences for policy in relation to approaching the UN to lift sanctions against Libya of the acquittal of Juval Aviv by an American court."

The Prime Minister replied:

"As my hon. Friend knows, Juval Aviv has been acquitted by an American court. We are also aware of the allegations that have been made by him, but the advice that I have received is that it does not alter the case that the existing evidence in respect of those who perpetrated the Lockerbie bombing suggests that it was carried out by Libyans."

I know the rules about internal matters in the Government, but a Prime Minister who was going to Hong Kong, Denver and Amsterdam—and, indeed, around the world—with all his other responsibilities, would naturally have to rely on advice.

Let me say to my right hon. Friend the Prime Minister, who is a distinguished lawyer, that asking one of his senior legal colleagues—a judge at the Court of Appeal—to cast a glance at the issue eight and a half years later is not an unreasonable request.

The Prime Minister went on:

"I believe that the United Nations Security Council sanctions should remain until the Security Council resolutions are properly and fully complied with; they are not being complied with at the moment."—[*Official Report*, 18 June 1997; Vol. 296 , c. 309.]

With respect, the whole UN policy depends on what is in the Crown Office in Edinburgh. On another occasion, the Prime Minister rightly told me that it was not the Security Council's business to carry out such investigations, yet it was having to take the word of the Crown Office in Edinburgh.

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I warned my hon. Friend the Minister's private secretary that I would quote from a letter, dated 18 July 1997, from Alistair Duff, another well-known Edinburgh lawyer, who represents the two Libyans. He wrote:

"I know that you have been lucky enough to secure an adjournment debate on the subject of Lockerbie and the Crown Office. I wish to raise with you a matter of concern to me and, I know, to others involved in the Scottish criminal justice system.

After the recent revelations about the information supplied to the German authorities by the Iranian agent our Government and the Crown Office were pressed to indicate what steps they would take to investigate this 'evidence' pointing, yet again, to Iranian involvement in the bombing. The reply, as ever, was that 'anyone with information to report should forward it to Dumfries and Galloway police'! Notwithstanding the high regard which I have for our police forces and acknowledging the undoubtedly diligent attitude of the Dumfries police, this official mantra is nothing other than a formula for inaction. Furthermore, my view, shared I believe by professional colleagues, is that the refusal by Government and Crown Office to take such evidential developments seriously (and to be seen to be doing so) is bringing the Scottish system of criminal justice into disrepute. The notion that the former Iranian agent, from a hideout in Germany, should contact the desk sergeant at Dumfries police station, as if surrendering his driving licence for examination would be laughable if it was not the inevitable response which emanates from Crown Office every time another line of enquiry apparently opens.

It is hard to avoid the conclusion that the Crown Office simply does not want to pursue avenues of investigation which might lead to inconvenient destinations.

I hope that you may take account of these views in pressing the Government during the debate."

That letter was written by a well-respected Edinburgh lawyer.

Yet another Edinburgh lawyer wrote to my hon. Friend the Minister—the QC who is Professor of Scots law at the university of Edinburgh, Robert Black. In his letter of 21 July, which my hon. Friend will have read, he wrote:

"I understand that a further Adjournment Debate on the Lockerbie bombing is soon to take place, and that you will be replying on behalf of Her Majesty's Government.

May I, as a native of Lockerbie and as a Scots lawyer who has attempted to keep abreast of developments in this tragic affair, urge you to give serious consideration to permitting the evidence against the Libyan accused persons to be reviewed by a senior member of the judiciary not currently serving in Scotland, with a view to determining whether in quantity and quality, that evidence is *prime facie* sufficient to justify the charges which have been laid against the accused.

There is a growing body of opinion within the legal profession in Scotland that, whatever may have been the evidential position in November 1991 when the petition naming the Libyan accused was presented to the sheriff in Dumfries, subsequent developments (such as the disclosure of the apparent lack of any documentary evidence whatever showing that an unaccompanied suitcase was routed from Malta via Frankfurt onto Pan Am Flight 103 at London; the discrediting in criminal proceedings in the United States of evidence emanating from the American forensic scientists whose findings appear to be the thesis"—

indeed, the linchpin of the thesis—

"of Libyan involvement in the Lockerbie bombing) have undermined the case advanced in that petition. The Crown Office in Scotland, however, gives the (perhaps unwarranted) impression of being reluctant to consider the impact of evidence which became available only after 1991 upon the material available to it when the petition was originally drawn up."

We do not know that anything has really happened since 1991. If the Crown Office and the police have been active, all that we can say is that we have no evidence that they have been so. In fact, it looks as if the hatches had been battened down. To put it bluntly, nothing has been done.

Professor Black goes on:

"It is in order to counteract this impression, and with a view to maintaining the deservedly high reputation of the Crown Office in the investigation and prosecution of crime in Scotland, that I earnestly request Her Majesty's Government to invite a senior judge to conduct an independent review of the whole evidence now available in relation to the Lockerbie bombing. Any of the following would appear to me to be suitable persons to perform this function. Judge David Edward (the United Kingdom judge on the European Court of Justice), Lord Hope of Craighead or Lord Clyde (the present Scottish Lords of Appeal in Ordinary)."

The Scottish legal system could not be affronted if either of those two Lords of Appeal in Ordinary from Scotland, who are extremely clever and distinguished judges, was asked to look at the evidence. After eight and a half years, witnesses' memories dim. Potential witnesses die or become old and forgetful. If nothing is done, how long are we expected to go on supporting these sanctions against Libya?

After all, by 1953 the perpetrators of the atrocities at Auschwitz and Buchenwald were being helped and welcomed back into the European community of nations. Is there a difference between an Arab and a European country, because that question is beginning to be rather sharply asked?

Back to the lawyers. George More, another well-known Edinburgh lawyer, wrote to the Prime Minister on 14 July:

"Dear Prime Min[illegible]

I have acted on behalf of the Libyan Peace Committee as their Legal Adviser in Scotland since 1992 in relation to the Lockerbie case. I visited Libya in 1992 and again in 1995 and I keep in touch with my contact in Tripoli. From what I have seen, and from the information I have received, there is no doubt that the U. N. Sanctions have caused a considerable amount of suffering in Libya and tragically it is the ordinary people who have suffered the most.

In the light of the revelations in The Scotsman newspapers last week and the police investigation being carried out in Frankfurt, both of which indicate that the downing of Flight Pan-Am 103 in December 1988, was sponsored by the Iranian Government, I feel very strongly that your Government should ensure that all new information is thoroughly investigated. It would be most unjust for the Libyan people to continue to suffer as a result of the Sanctions even if it was only possible that the Libyan Government was not involved in the crime. As a supporter of your Government, and in the belief that you can bring a fresh mind to the whole problem, I urge you to ensure that all necessary investigations are now carried out as soon as possible to avoid any unfairness to the Libyan people."

The Minister has received a letter from the Council for the Advancement of Arab-British Understanding signed by Cyril Townsend, the former Member of Parliament for Bexleyheath. He says:

"I understand that you will be replying to an Adjournment Debate on Lockerbie next Wednesday introduced by"

the hon. Member for Linlithgow.

"I very much welcome this as it is such an important subject, especially as it is over eight and a half years since Pan Am 103 was blown up.

My Council is concerned that the current impasse in relations with Libya has had a detrimental effect on British-Libyan trade relations. This was a subject that I personally raised with Anthony Nelson, the previous Minister for Trade at the Department of Trade and Industry".

Indeed, I have raised this subject with my hon. Friends responsible for trade in both Houses of Parliament. I was assured by my hon. Friend the Minister for Small Firms, Trade and Industry, who made inquiries after an oral question in the House, that the Department's lawyers have not had access to the evidence that the Crown Office says it has.

For lawyers from one Government Department who are so intimately affected not to have seen the evidence that is in the hands of another Government Department raises an eyebrow. Doubtless all sorts of legalistic reasons will be produced, but it is not good when the interests of our country are so badly threatened by what may be a terrible mistake.

Furthermore, I want to raise with the Crown Office the case of Dr. David Fieldhouse. The background to the case is that, on 21 December 1988, Dr. David Fieldhouse, who has become a friend of mine, heard on his car radio that there was a major incident at Lockerbie, and immediately drove north in the expectation that he could be helpful.

Who is Dr. Fieldhouse? He comes from Bradford, and was the police surgeon of the city of Bradford for 14 years. He was considered responsible enough to be put in charge of a previous major incident—the Bradford footfall fire. He has had many ups and downs, and in my opinion has been treated abominably. On 22 June 1997, he wrote to the Prime Minister:

"Dear Prime Minister,

As you will doubtless know from proceedings in the House of Commons over the past few years the Pan Am 103 Lockerbie terrorist bombing has left a lot of questions unanswered and lines of enquiry ignored or suspended.

I volunteered my services in Lockerbie shortly after hearing of the crash and, during the night and day following it, pronounced death in respect of 59 persons. In the immediate aftermath of the event and during the subsequent months I co-operated fully with the law enforcement agencies to provide details of the work which I had done. I was enabled to do this by notes taken at the time and my not inconsiderable experience as a Police Surgeon with West Yorkshire Police during the preceding fourteen years.

One of the very many things which have puzzled me since the event, and more particularly since the Fatal Accident Inquiry, is the apparent lack of concern to correlate the bodies which I recorded having found with other records made *after* mine"—

"after" is underlined.

"This has led to one body (which I labelled DCF 12) not appearing to tie up with any of the ones subsequently listed as having been retrieved and examined by the Pathologists.

I am not sure that the transcript of the Fatal Accident Inquiry will give a very good indication how little attention was paid to this matter. I was at pains at the time of that Inquiry to reverse the discredit heaped upon me by Lord Fraser of Carmyllie by his dubious questioning of the Police".

Remember that that accusation—for such it is—of dubious questioning of the police at the fatal accident inquiry was made not by someone off the street, but by a police surgeon of 14 years' experience with extremely distinguished service at a previous major incident. When that is said in a letter to a British Prime Minister, the Departments have an obligation to comment on it, because the questioning was under oath.

Dr. Fieldhouse goes on:

"from whom he received answers to questions which it seemed at the time were designed to hide the truth and, in the process, discredit me.

I made two determined attempts to see your predecessor to ask him a particular question, but I got no further than a Private Secretary. I can not ask that question of you. Would you be able to find out if John Major actually received my letters to him—or if they were diverted by his staff who could have been under orders from others?

Other questions, inter-related, come to mind:

Do you think I am right to be concerned that the body details did not tally?

Do you think I am still right to be concerned at the way I was treated at the Fatal Accident Inquiry—notwithstanding that I received a full, written, formal apology from Sheriff Principal John S Mowatt in his Determination (page 36) for what had been said erroneously about me?

Do you think I am right to wonder if the above two points could in some way be relevant to the whole issue as to who perpetrated the offence?

Do you think that people of this Country, and in particular the relatives of the deceased, have a right to clarification of all these issues?"

The relatives of the deceased, to whom I have become very close, certainly think that Dr. Fieldhouse deserves an answer. He continued:

"If, in addition to the above, you are interested in knowing how this affair has impugned my integrity and severely dented my career I shall be pleased to meet you and put you in the picture. All is not what it seems—even now.

I wish you well in the forthcoming years."

There is a great deal to the story. Some of it appeared in a book, which I have treated with great caution, called "Trail of the Octopus" by the American agent Les Coleman. But there is a great deal of explanation to be given by the American authorities on the whole relationship between the Drug Enforcement Agency and the CIA and its hostage relations operations in Beirut at the time.

There is also the whole question of Major Charles McKee, and the feeling that there were certain people in key positions who never wanted Major McKee to get back to the United States to start complaining about them. All those matters bring us back to my request that there should be an investigation by the Metropolitan police. It is unreal to expect the Dumfries police to cope.

British companies are worried that they are not being allowed to compete on equal terms with other European companies. Many jobs are at stake. Problems that affect trade include the lack of Export Credits Guarantee Department cover and the problem of acquiring visas for local partners to come to Britain. That matter must be settled.

There is also, of course, the human aspect. The Minister has received a letter from the secretary of UK Families Flight 103, saying:

"I am writing on behalf of U. K. Families Flight 103, the relatives and friends of those killed at Lockerbie, about the recent statements made in Germany by Abolhassem Mesbahi.

We believe that the Scottish Office has an obligation to convince the bereaved that the new information concerning Iran's connection with the bombing is being thoroughly and properly investigated. Can you give us evidence that urgent and appropriate action is being taken?"

The secretary, Pamela Dix, had also written to Lord Hardie saying:

"I am writing on behalf of UK Families Flight 103 concerning the recent activity in Germany. You will be aware of the allegations by the former Iranian intelligence officer, Abolhassem Mesbahi, that the bombing of the plane was ordered by the late Ayatollah Khomeini in revenge for the shooting down of the Iranian air bus in July 1988.

Given that this man's credibility has already been tested in a German court of law, where his testimony brought about the successful convictions of Iranian terrorists, we assume that the Scottish Office and the Dumfries and Galloway police are taking immediate steps to interview Mesbahi in Germany. If this has not yet been arranged, then we urge you to do so at the earliest possible opportunity. We expect the Crown Office response to be a proactive one in this regard."

The relatives would have been here had the Adjournment taken place at the usual time of 10 o'clock. I should be grateful for an undertaking that the Mesbahi information is being properly investigated.

A letter dated 18 July was sent to my hon. Friend the Minister from Martin Cadman of Norfolk, with whose Member of Parliament—my hon. Friend the Member for North–West Norfolk (Dr. Turner)—I went to see the Minister. He writes:

"My son Bill, 32 was killed on Pan Am Flight 103 over Lockerbie on 21 December 1988.

I understand that you will reply for the Government in the adjournment debate on Lockerbie next Wednesday . . . My wife and I and other relatives have been trying since 1988 to learn the truth about Lockerbie. None of the inquiries which have been made public including those by the Air Accident Investigation Branch, the Fatal Accident Inquiry and the US President's Commission on Aviation Security and Terrorism have revealed the whole truth. Nor were Ministers in the last Government forthcoming, including for example Douglas Hurd and Jeremy Hanley in their replies in adjournment debates."

My hon. Friend the Minister might like to know that it was on this subject that, for the only time since the war, a Foreign Secretary has replied to an Adjournment debate. I am not suggesting that it should be the Foreign Secretary on this occasion; I am merely pointing out that the previous Foreign Secretary, Douglas Hurd, decided that the subject was so important that he should not leave it to one of his junior Ministers, but should instead reply himself.

The letter continued:

"We were encouraged by the tone and much of the content of the reply by Foreign Office~Minister Tony Lloyd on 11 June this year."

Indeed, the relatives who are going to see my hon. Friend the Foreign Office Minister tomorrow at 4.15 pm will have a copy of the reply by my hon. Friend the Scottish Minister in their hands. I can tell my hon. Friend that two television teams are interested in the whole background to the issue, and are making in-depth investigations into the subject. Doubtless they will be approaching the Crown Office. The British public, let alone the relatives, are not uninterested in this matter.

Cadman goes on:

"But he repeated some of the well worn phrases we had become used to, such as that it is not acceptable to allow the accused [Libyans] to dictate the terms and circumstances of their trial—a moment's thought shows that they have indeed dictated the terms and circumstances ever since the warrants were issued over six years ago in November 1991.

I don't know if you have been told the whole truth. People experienced in these matters have told me that very few people, mainly officials, are allowed to know. The rest are told only that there are some things that it is better that they do not know. I hope that you will not be put off by this sort of specious advice but will press for the whole truth so that you may reply properly and as fully as appropriate in the debate."

If only for ministerial self-preservation—I do not say this unkindly at all—I should have thought that it would have been wise for any Minister answering such debates to say, "Look. I am protecting my back. I am asking a judge of the Court of Appeal, a European judge, Lord Hope or Lord Clyde, another Scottish Law Lord in Ordinary, to make the investigation." It is not asking a great deal.

Cadman goes on:

"Ministers have the right to know. The public have the right to know. Above all, the relatives have the right to know. Early in 1989 my wife and I were interviewed by a man from the Metropolitan Police anti-terrorist squad. He had a file of papers which included the post-mortem report on my son. I asked to see it. He said he was not supposed to show it to me. I asked him how could he as a stranger have a greater right to know how our son died than his parents. He had the courage and good sense to acknowledge this; and I hope that he felt the good effect on us of knowing how our son died. I hope that you will appreciate the force of this argument.

We do not need to be protected from the truth. But we should be protected from being told lies. We were told lies by the police witness at the Fatal Accident Inquiry. We should also be protected from not being told the truth. We did not get an answer at the FAI to why our son's body was left out in a field at Tundergarth from when he was seen by the doctor who pronounced him dead on the 22nd December 1988 until his body was removed to a mortuary on the 24th."

I acknowledge at this stage the presence of my hon. Friend the Member for Dumfries (Mr. Brown), who, in the short time that he has been here, has shown an estimable interest in this difficult matter. I hope that Madam Speaker has given her permission, as I have, that he should contribute to the debate.

Cadman goes on:

"We did not get a straight answer to why our son's death certificate was dated 24th December. (It was subsequently changed to the 22nd after the FAI). Who gave the orders not to move the bodies? What was the role of the Americans on the ground in the immediate aftermath?"

Cadman should get an answer to those questions. He says:

"Our right to the truth should not be denied by any lingering unethical element in the British government's relations with the US government. We hope that the present Government is not deterred by whatever we believe persuaded the previous Government to conspire with the US Government not to reveal the truth.

You will know that new evidence has recently come to light from Germany implicating Iran. You and your colleagues may agree with us that the lack of progress in resolving this case is alone enough to warrant a new, independent, and far-reaching inquiry into all the circumstances of the bombing, including possible motives for it.

My main purpose in writing to you is to urge you to announce the setting up of such an inquiry in the debate next Wednesday. If this is not possible, please bring this letter to the attention of Lord Hardie to whom I have already written."

I do not know what attention is being given to such letters.

I asked the Prime Minister

"what response he has sent to the letter of 22 June to him from ex-police surgeon Dr. David Fieldhouse of Bradford, about the circumstances of the body count after the destruction of Pan Am 103 over Lockerbie."

The Prime Minister replied:

"Dr. Fieldhouse's letter is being studied carefully. A reply will be sent shortly."—[*Official Report*, 7 July 1997; Vol. 297, c. *316*.]

The Department will forgive me if a reply has already been sent, but it has not yet been received. I do not know what studying these letters actually means, other than a put-off. The time has come when they have to be answered.

When I saw him, the Lord Advocate undertook that he would discuss seriously with the Foreign Office what the results of all the deliberations were going to be.

For reasons that I perfectly understand, a meeting offered by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs at 9 o'clock this morning had to be postponed, and, at his request, I have been asked to see him on this subject at 6 o'clock tomorrow night, but I draw to the attention of the Crown Office the sort of problems that the Foreign Office has.

Frankly, the Foreign Office has been put in a difficult position. Even Douglas Hurd said to me—I think that he will excuse my repeating this, not that it was particularly a secret—in the corridors of the House, "Look: you must understand that a British Foreign Secretary cannot tell the Crown Office what to do and demand explanations from it." So the Crown Office should know exactly the situation that the Foreign Office faces.

Faced with a letter from the ambassador and permanent observer for the League of Arab States to the United Nations, Dr. Hussein A. Hassouna, and the ambassador and permanent observer for the Organisation of African Unity to the United Nations, Mr. Ibrahima Sy, the Foreign Office says:

"We have the honour to refer to the joint letter dated 27 June 1997 of the Permanent Observer for the League of Arab States and the Permanent Observer for the Organisation of African Unity to the United Nations . . . enclosing a joint letter from the Secretaries-General of those two organisations relating to the question of the sanctions against Libya.

The letter of the Secretaries-General once again tries to misrepresent the question of Libya as a dispute between Libya and two countries. This is not the case. The sanctions imposed on Libya in Security Council resolutions 748 (1992) and 883 (1993) were as a result of the Libyan Government's refusal to comply with obligations which had been required of it by the unanimous decision of the Security Council in resolution 731 (1992). The question which the Council continues to address, therefore, is not a dispute between a few States, but the matter of Libya's continued defiance of a unanimous and binding decision of the Security Council.

We regret that the letter of the Secretaries-General of the Organisation of African Unity and the Arab League does not mention the existence of any of the Security Council resolutions relating to Libya, nor does it mention Libya's failure to comply with them. Instead the Secretaries-General repeat earlier proposals for trial of the Lockerbie accused in a venue outside Scotland or the United States, proposals which do not conform to the requirements of the relevant Security Council resolutions. We do not believe that Council decisions should be a matter of negotiation; they should be obeyed in full.

The Government of Libya knows that for the sanctions against it to be swiftly lifted, all it needs to do is comply with the Council's resolutions. Yet it continues to refuse to take such a step. The first objective of all Member States and Regional Organisations interested in seeing an end to this matter should be to persuade the Government of Libya to fulfil its obligations so that sanctions can be lifted and the authority of the Council be upheld.

In the meantime we have taken note of the proposals in the joint letter of the Secretaries-General relating to humanitarian flights. Resolution 748 (1992) of course already contains provisions for the Libyans to apply to the Committee established pursuant to that resolution for special dispensation for humanitarian flights. We would like to reiterate our willingness to continue to consider such applications, as provided for in resolution 748 (1992) which does not limit humanitarian needs to medical evacuations. In addition, for the last three years the Committee has permitted flights to the Haj, thus facilitating travel by Libyan citizens to undertake this act of religious devotion. We see no reason why this practice should not continue."

The whole trouble with that is that, in fact, Libyans who used to come here cannot get medical aid. A great deal of hardship is involved.

I refer to the letter dated 26 June 1997 from the permanent observers of the League of Arab States and the OAU:

"Pursuant to Article 54 of the Charter of the United Nations, we have the honour to enclose herewith a joint letter signed by His Excellency Dr. Ahmed Esmat Abdel Meguid, Secretary-General of the League of Arab States, and His Excellency Mr. Salim Ahmed Salim, Secretary-General of the Organization of African Unity, concerning the efforts of the two organizations to find a peaceful and just solution to the dispute between the Libyan Arab Jamahiriya and the United States of America and the United Kingdom".

What all that amounts to, surely, as Lord Fraser was asked by me all those years ago, is that at least our lawyers should talk to their lawyers. That is what they want.

A letter dated 19 June 1997 from the Secretary-General of the League of Arab States and the Secretary-General of the OAU says:

"As a follow-up to the efforts being deployed individually and jointly by the League of Arab States and the Organization of African Unity to find a peaceful and just solution to the dispute between the Libyan Arab Jamahiriya and the United States of America and Great Britain, and in conformity with the decision of the two organizations to coordinate both Arab and African efforts aimed at contributing to the process of finding a lasting solution to the dispute, we have the honour to inform you that the League of Arab States and the Organization of African Unity have, in this regard, agreed as follows:

FIRST: To call upon the Security Council to convene a special meeting in order to consider the following specific proposals, one of which could be agreed upon as a basis for a solution:

(i) Hold the trial of the two suspects in a third and neutral country to be determined by the Security Council;

(ii) Have the two suspects tried by Scottish judges at the International Court of Justice at The Hague, in accordance with the Scottish Law;

(iii) Establishment of a special criminal tribunal at the ICJ headquarters in The Hague to try the two suspects.

SECOND: Pending the final and peaceful solution of the crisis and the adoption of one of the above-mentioned proposals, we urge the Security Council to undertake the following measures which, we believe, will go a long way in mitigating the severe impact of the air embargo, by exempting flights that may be run by Libyan authorities:

(i) Flights for humanitarian purposes of medical treatment and the importation of medicines;

(ii) Special flights to send material assistance from the Libyan Arab Jamahiriya to African countries;

(iii) Flights of religious purpose;

(iv) Flights related to participation in official missions."

Like British industry, the two Secretaries-General complain bitterly of the difficulty of getting in and out of Libya. What does it all boil down to? It boils down to a policy based on evidence that is at best flimsy and perhaps non-existent.

I asked my right hon. Friend the Prime Minister on 21 July:

"pursuant to his oral answer of 16 July, *Official Report*, columns 387-88, in reference to the letter from Alain Dejammet, Stephen Gomersall and Bill Richardson permanent representatives of France, the United Kingdom and the USA, to the President of the Security Council, what recent review of the evidence relating to the Lockerbie case has been conducted by the UN Security Council."

The reply from my right hon. Friend said:

"None. It is not the Security Council's job to do so. The evidence is held by the national investigating and prosecuting authorities and is not in the public domain."—[*Official Report*, 22 July 1997; Vol. 298, c. 556.]

[Mr. Tam Dalyell]

The UN really ought to be a bit discerning about the material on which it bases its own policies. Frankly, it is taking the word of the British Government, and the British Government are taking the word of the Crown Office. Some of us think, for reasons that have taken an inordinate length of time to describe—I do not see how else to bring the matter home after 12 Adjournment debates—that the Government should take action to ascertain the validity of the evidence.

I had hoped that, on election to office, my right hon. and hon. Friends would bring new minds to this subject. They have had some time to do so. The faults, if there be any, lay with their predecessors. I am not here to make yah-boo party points; I am asking very, very little. Distinguished lawyers should take a look at what other lawyers have decided and done.

I end with the statement of Paul Foot in *The Guardian* this week, which is headed "The Injustices Darkening Our Skies". It refers first to the German evidence, when it says:

"The Foreign Office greeted last week's Der Spiegel scoop about the Lockerbie bombing with its familiar mix of embarrassment and silence."

I hope that, sooner rather than later, there will be some comment on the German evidence.

Foot ended by saying:

"The new Foreign Office Minister Tony Lloyd studiously copied his Tory predecessors by expressing his deep concern while stopping well short of any new initiative. 'The notion that all these inquiries were conducted in such a way that a particular result would be arrived at,' he said, 'would be a fantastic coincidence or a fantastic conspiracy.' Precisely. Take your pick."

The purpose of my long, long speech that chance has made possible tonight is that my right hon. and hon. Friends should be serious about some new initiative. I look forward to what my hon. Friend the Member for Dumfries has to say.

7.58 pm

Mr. Russell Brown (Dumfries): I thank my hon. Friend the Member for Linlithgow (Mr. Dalyell) for allowing me to take part in this debate and for the mountains of information that he has passed to me which he has accumulated over some considerable time. I intend to be brief. My hon. Friend has expressed his great concern about the whole issue in significant detail.

I should like to air the issue from the perspective of my constituents and to deal with what they want, because they want the chapter of the entire sad tragedy to be closed. There are, however, families in my constituency—as there are in America and elsewhere in the United Kingdom—who want justice to be done.

I am pleased that my hon. Friend the Member for Linlithgow has complimented Dumfries and Galloway constabulary. I should admit that I served as a member of the Dumfries and Galloway police authority for 11 years, four of which were as its chairman. I should add that my term as chairman was served after the Lockerbie tragedy. I have every faith in Dumfries and Galloway constabulary. Although it is the smallest force in Scotland, it is, none the less, an excellence force.

I am confident that all the evidence that has become available in recent months and years has been made available to Dumfries and Galloway constabulary. I also have every confidence that it has performed its role as an enforcement authority by investigating all the evidence.

I appreciate that there is a feeling that the tragedy is slipping away from us. I know full well that the American families think of next year—the tragedy's 10th anniversary—as a significant watershed. I can only imagine the frustration that those families feel, although I know full well the frustration that my hon. Friend the Member for Linlithgow feels after having spent many hours delving into what he regards as evidence. He has spent many hours investigating the matter and believes that he has formed a picture of what really happened.

My inquiries indicate that all the evidence produced by my hon. Friend the Member for Linlithgow and by other parties has been examined and investigated by those with a duty to do so. I think that he and I agree on two matters: we want justice to be done, and we want improved relations with the Arab world, with the consequent benefits for many United Kingdom industries and companies.

I am sure, however, that I do not have to remind my hon. Friend the Member for Linlithgow that our new Labour Government have been in power for only 12 weeks. We require time to examine closely what has happened over the past eight and a half years. I believe that now is not the time to hand over all of the relevant information to a third party or to third parties. A new Government will provide an opportunity to move the matter forward.

Mr. Dalyell: My hon. Friend said that I want information to be handed over to third parties. I am not sure that "third parties" is how one would describe Judge Edward, Lord Clyde, Lord Hope, a Lord Justice of Appeal, in England, or a senior European judge. They are not simply "third parties".

Mr. Brown: I am referring to involvement by another investigative authority—the Metropolitan police—although I include also some of the people eminent in the legal system mentioned by my hon. Friend.

As I said, the new Labour Government provide an opportunity. There is also an opportunity for the Libyan authorities themselves to seize upon that opportunity, because it is a two-way process. I believe that the suspects will receive a trial if the opportunity arises. As I said in my maiden speech, two or three weeks ago, I firmly believe in the Scottish legal system and that a fair trial can be conducted in Scotland. We now need all those who have spent so much time on the matter to pull together, to impress on the Libyan Government the fact that the two suspects must be handed over so that they can receive that fair trial.

Once again, I thank my hon. Friend the Member for Linlithgow for giving me an opportunity to speak briefly in this debate.

8.4 pm

The Minister for Home Affairs and Devolution, Scottish Office (Mr. Henry McLeish): I am pleased to be able to reply to the debate initiated by my hon. Friend the Member for Linlithgow (Mr. Dalyell), and I am grateful for his usual courtesy in having given advance notice of the main issues that he planned to raise in this—his 14th—debate on the Lockerbie criminal investigation. He mentioned 11 or 12 debates, but we have factually established that the total is 14. In his most recent

Adjournment debate, he said that he must be extremely lucky to have secured such a debate. He must have an exceptionally lucky star, because that debate was only six weeks ago. I share with him, however, an appreciation of the seriousness of the issue and of the debate.

As this is the first such debate to which I have responded, I should like to express my deepest sympathy for all those who lost friends or family in that terrible outrage on 21 December 1988. I also pay tribute to the unprecedented efforts of those who assisted at the disaster site and to the work of the investigative agencies involved, particularly Dumfries and Galloway constabulary.

My hon. Friend the Member for Linlithgow suggested, however, that it is no longer realistic for that police force to continue to conduct the investigation, which it began on 21 December 1988. The investigation came to be conducted by Scotland's smallest police force for the simple reason that the crime was committed in that police area. There are contingency plans—to request and obtain the assistance of other police forces—in place between police forces when dealing with such major incidents. I am sure that he appreciates that.

In response to the Lockerbie incident, the then chief constable, John Boyd, put that mutual aid plan into operation—so that, by the middle of the week after the occurrence of the disaster, more than 1,000 police officers from 11 police forces, both from Scotland and England, were involved in the investigation. The Metropolitan police was one of the police forces so involved.

My hon. Friend the Member for Linlithgow should, however, note that it became a criminal investigation once—on 28 December 1988—the cause of the crash was confirmed to be the result of the detonation of a bomb. From that point onwards, responsibility for investigation and prosecution of the crime became that of the then Lord Advocate, Lord Fraser of Carmylie. In exercising his responsibility for the prosecution of crime in Scotland, my noble and learned Friend the Lord Advocate is empowered by statute to give instructions to the chief constable on the investigation and reporting of offences.

The statutory relationship between the prosecuting and investigating authorities is reflected in the very high level of consultation between them on the case over the years, in relation to inquiries both in the United Kingdom and in foreign jurisdictions that required the issue of letters of request. As was said in reply to the fifth debate on the topic initiated by my hon. Friend the Member for Linlithgow, on 13 December 1994, the procurator fiscal for Dumfries worked full time on the Lockerbie case from the date of the event until after issue of the warrants. For most of that time, he shared accommodation with the police.

During the investigation, members of the investigating team visited no fewer than 23 countries to pursue criminal inquiries. In total, during the criminal inquiry, some 70 countries made inquiries on behalf of the investigating authorities. The Dumfries and Galloway constabulary was able to pursue those inquiries as efficiently as any other police force—with such assistance as was necessary from other police forces—and remains able to call upon such assistance when the circumstances so dictate.

I think that it is vitally important—I am sure that my hon. Friend the Member for Linlithgow will agree—to recognise the level of co-operation offered by and obtained from other police forces. Moreover, the international dimension has been and continues to be crucial to the case. It is an active and live aspect of the investigation.

Mr. Dalyell: Will my hon. Friend write to me on the following subject? Was there any point in time at which the Scottish police would have liked to interview certain persons in Germany, but, for some reason or other, it was made difficult for them to do so by the German police? I do not expect him to answer that question off the top of his head, but I would like a letter on the subject.

Mr. McLeish: My hon. Friend is pursuing this matter intensely and he must have some foresight about what I am going to say. If he is unhappy with my response, I shall wish to investigate further and write to him.

Particular mention should be made of the relationship that was established between the German police—the BKA—and the Scottish police and, indeed, between Scottish prosecutors and their German counterparts. There has in the past been unwarranted criticism of the level of co-operation between the Scottish and German investigating authorities. It has always been the firm policy of the Lord Advocate not to give details of investigative steps that are taken. No criminal investigation could be properly pursued where details of what steps had been taken were disclosed or heralded in advance. However, in relation to the co-operation between the Scottish police and their German counterparts, I remind my hon. Friend that the then Foreign Secretary on 1 February 1995, in view of the criticism to which I have referred, took the unprecedented step of confirming that requests were made for the interview of two individuals in Germany, that such requests were granted and that, indeed, Scottish police officers were present during those interviews. That might serve as one example of the manner in which relevant lines of inquiry can be pursued in the course of the criminal investigation. My hon. Friend's question perhaps ranged wider than that point, and I am happy to put on record the relationships that have existed between the Dumfries and Galloway police and other police authorities.

Mr. Dalyell: If the Scottish police were present on occasions as observers, was there any occasion when they were denied the opportunity to interview certain persons? At some point, will my hon. Friend give an assurance that an approach has been made to the public prosecutor's office in Frankfurt in the past few weeks to hold talks about what it is alleged has emerged?

Mr. McLeish: I have touched on the topic of the relationships between the German authorities and the Dumfries and Galloway constabulary. My hon. Friend asked whether access had been denied on any occasion. On that point, I shall write to my hon. Friend. I shall deal later with my hon. Friend's second point about the most recent revelations.

I should stress the calibre of officers involved in the inquiry. For example, the senior investigating officer, who was in post between the date of the disaster and the beginning of 1990, moved on to become the chief constable for the largest police force in Scotland. Other senior officers from other police forces were also closely involved in the investigation. Against that background, my hon. Friend has suggested that responsibility for the

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investigation should be transferred to the Metropolitan police from Dumfries and Galloway constabulary. It is unfair to Dumfries and Galloway constabulary, and to other police officers who have contributed over the years to the investigation, some of whom are now very senior indeed, to make such a suggestion. It would be incompatible with the system of criminal investigation in Scotland and, frankly, there is no good reason to change at this point.

Mr. Dalyell: Some of us think that there is a good reason why we should make that change. A major crime has not been solved after eight and a half years. Added to that, our country is being greatly damaged, economically and politically, in the Arab world. We should not be legalistic about that after all this time. If this were a normal crime, I would not be raising these points or challenging what my hon. Friend has said. However, the circumstances are extraordinary.

Mr. McLeish: I shall touch on the points that my hon. Friend has raised about the wider international significance. He suggested that there should be an external review of the evidence held by the prosecuting authorities by an English or European judge. He also suggested that a fresh mind is required. I am sure that there is no suggestion that the Lord Advocate is unable to assess accurately the sufficiency of the evidence or, worse, that his assessment of the case is not impartial.

The Lord Advocate is alone responsible for the prosecution of crime in Scotland. He has already given an assurance, on 25 June 1997 in another place, that he is satisfied on the information available to him that there is no reason not to proceed with the petition warrants issued in respect of the two Libyans accused. I am unclear on what basis it is being suggested that his assessment of the evidence should be reviewed by someone who may not be qualified in Scots criminal law and who would certainly not be accountable for the prosecution of the crime in Scotland. I point out that no fewer than four Lords Advocate, as my hon. Friend mentioned, from two different Administrations, have given full consideration to the totality of the evidence against the two accused. They have each concluded independently that the evidence justifies the proceedings against the two Libyans accused.

Mr. Dalyell: I went into the circumstances of the first Lord Advocate at inordinate length. The difficulty is, humanly speaking, that once a predecessor has taken a decision on a matter so complex, one would have to be a professor of Lockerbie studies to change it. Lords Advocate have many other matters to deal with and I wonder whether they can really go into detail that might be required to overturn a predecessor's judgment. John Stuart Mill had a phrase about the

"vested interests of the mind".

Even in the light of all the doubts that have been raised, if a fresh mind—such as Lord Hope, Lord Clyde, Judge Edward, an English judge from the Court of Appeal or a European judge—came to the conclusion that the Crown Office had done exactly what it says it has, I would undertake to shut up on that subject.

Mr. McLeish: I have made the point that, based on the information, discussions, analysis and continuing review in the Crown Office, there is a reason for proceeding with the petition warrants issued in respect of the two Libyans accused. That judgment is predicated on the basis that evidence exists that would bring those two to trial. In a sense, I am confirming the view—and reinforcing the point that my right hon. Friend the Prime Minister made to my hon. Friend—that there is no evidence that we need an outside person to come in and take a fresh look at. There is evidence that suggests we should proceed to prosecute the two Libyans, and that is the basis of the current debate.

Mr. Dalyell: May I gently say to my hon. Friend that, in the impossible event that I were Lord Advocate and knew that I had been counsel in a highly controversial fatal accident inquiry, I would have wanted to protect my own reputation—to put it at its lowest—and have someone come in and look at the matter? The problem is not only a question of the actuality, but the perception of the situation. The fact is that the present Lord Advocate played a controversial part in the fatal accident inquiry. That is a reason for having a fresh mind to consider the issue. What can be the difficulty in bringing in Lord Hope, Lord Clyde or Judge Edward? Those are not people who would make mischief.

Mr. McLeish: I think that my hon. Friend would agree with the logic of my comment in suggesting that we have the evidence to justify the proceedings against the two Libyans accused. Is it not the case that the issue now is that the two Libyans should be released by Libya, so that due process can take place? It is important to reinforce the points that have been made about the past four Lords Advocate and the continuing involvement of the Crown Office.

As I have already said, the judgment is that there is no need to ensure that the issue is widened to the independent scrutiny that my hon. Friend has suggested.

Mr. Dalyell: Dear oh dear. It is whistling in the wind to think that the Libyans will be brought to a British court. President Mandela spent 40 minutes of his hour with the British Prime Minister on the subject. There is no chance of their coming to a British court, given the situation in the Arab world. That is why my hon. Friend should be getting Foreign Office advice.

Mr. McLeish: I shall refer to further points that my hon. Friend has made later.

My hon. Friend asked what steps are being taken to investigate the recent allegations concerning statements from the office for islamic propaganda and statements reported in *Der Spiegel* magazine from the person named as Abolhassem Mesbahi. As I have already said, and as I told my hon. Friend in my written reply to him on 16 July 1997, it is the firm policy of the prosecuting and investigating authorities not to disclose details of investigative steps. The prosecuting and investigating authorities are, of course, acutely aware of their duty to investigate exculpatory evidence no less vigorously than incriminatory evidence. They take that duty seriously. While details of investigative steps cannot be given, all appropriate steps are taken in the discharge of that duty. Further than that I cannot go.

Any assertion that the refusal to disclose what steps are being taken is an excuse for inaction is not correct. Prosecuting and investigating authorities are not in the

habit of proclaiming to all and sundry what steps they propose to take in pursuance of whatever course of action they deem to be appropriate. Equally, neither I nor the prosecuting and investigating authorities can be drawn into discussion or disclosure of details of the evidence because of the real danger of prejudicing the prospects of a fair trial for the two accused.

Mr. Dalyell: My hon. Friend used the phrase, "all and sundry". If he or I had lost a son or a daughter, we would think that we were entitled to know, as Dr. Jim Swire vehemently asks, whether the authorities had gone to see those at *Der Spiegel* or talked to the public prosecutor in Frankfurt. If the authorities say that they cannot disclose such details, we must be forgiven for thinking that a lot of people are sitting on their proverbial backsides. I am afraid that that is the perception.

Mr. McLeish: I do not think that that can logically be drawn from what I have just said. I hope that my hon. Friend accepts my sincerity. I have confirmed that the issue is serious. My hon. Friend has been close to many people involved and has a much greater appreciation of the issues than I could possibly have. The fact that evidence and details of the investigation cannot be released into the public domain should not be taken as a sign of inaction from the Crown Office or the Government or an indication that we are not taking vigorous steps to pursue the case.

My hon. Friend, along with others, may consider that the prosecuting authorities do not have sufficient evidence to prosecute the case against the two accused. Such assessments are made in a vacuum because the details of the evidence cannot be disclosed publicly.

My hon. Friend mentioned the impact that the United Nations Security Council sanctions are having on Libya and on British commercial interests. It is more than five and a half years since the Libyan Government were called on to surrender their two nationals for trial in Scotland or the United States. The demands for surrender are backed by United Nations Security Council sanctions, two of which are mandatory. However, surrender of the two accused for trial in Scotland or the US would transform the situation on sanctions. They can be lifted as soon as the requirements of the resolutions are fully complied with. We cannot arrange for Libya to fulfil those requirements—that is a matter for the Libyan Government. As my right hon. Friend the Prime Minister told my hon. Friend on 17 July, the Government will try every avenue to make progress in this matter, but the onus is on Libya to comply with the relevant United Nations Security Council resolutions. The United Nations Security Council sanctions were renewed as recently as 10 July 1997 and the Government believe that they should remain in place until they are complied with. Anyone with an interest in resolving the matter should seek to encourage Libya to comply in full with the resolutions.

Mr. Dalyell: I should like to put it on record that I have tried, as have some parliamentary colleagues, to encourage the Libyans. I have told them that I believe that they would get a fair trial in Edinburgh. I am proud of Scottish justice, but one has to consider the situation from the Arab African point of view. They are not going to come to Scotland for trial. My hon. Friend the Minister is younger than me, but we shall both be kicking up the daisies before the matter is resolved if we stick to a policy of the onus being entirely on Libya. The problem will go on and on.

Mr. McLeish: My hon. Friend will appreciate that my comment should not be taken as a suggestion that he and others have not tried to get Libya to comply in full with the resolutions. I appreciate what he has said for the record.

Once the accused had appeared before the court, a full disclosure of the evidence against them would be made available to the defence in this case as in any other case. That disclosure would include not only the evidence to be led in proof of the charges against the two accused, but any evidence uncovered during the investigation that was consistent with their innocence. The trial could then proceed before a jury, untrammelled by premature disclosures of the evidence and in a forum in which the accused were properly represented and given an opportunity to test the strength of the evidence against them. That is the proper course to follow in deliberating on the guilt or innocence of anyone charged with a crime. With all due respect to my hon. Friend—I hope that he will acknowledge the spirit of this suggestion—the Floor of the House is not the proper place to be entering into discussion concerning the evidence in the case against the two accused or the sufficiency of that evidence.

I am aware that my comments today will provide little comfort to my hon. Friend or to those who lost friends or relatives as a result of this terrible crime. I am aware that the relatives desire truth and justice.

Mr. Dalyell: We raised the matter of what is being said in the holy city of Qom in Iran and the evidence produced by Stephen Breen of *The Scotsman*. I must be candid with my hon. Friend. I treat that with some caution, because some Iranian groups may well have wished to claim credit for that which they did not do. I understand that, given the volatile nature of what goes on in the Islamic Republic of Iran, all sorts of things may have happened. We are entitled to ask what steps are being taken to find out the truth or falsehood of what is said. The Dumfries and Galloway police do not have all the facilities to find out what happened without strong Foreign Office translation support. However, we really ought to find out what happened.

Mr. McLeish: I shall deal with that before I sit down.

If the prosecuting authorities were to disclose the details of the evidence at this juncture, all hope of there being a criminal trial of the two accused would be extinguished. The rightful expectation that justice be done could not be met.

There have, of course, been suggestions that the trial should proceed in a third country. My hon. Friend must by now be aware that we have objections to that in principle and in practice. First, the acceptance of a trial in a third country would be tantamount to allowing suspected terrorists to dictate where and by whom they should be tried for the crime of which they stand accused. Secondly, it would imply that we accepted the argument that the accused could not get a fair trial in Scotland. My hon. Friend has put on record his compliments to the quality of justice in Scotland. As long ago as September 1993, the Libyans accepted assurances delivered through

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the UN Secretary-General that trial in Scotland was fair. Thirdly, the United Nations Security Council resolutions require that the accused be delivered for trial in Scotland or the United States and not elsewhere. Fourthly, there would be enormous practical and legal difficulties in attempting to establish a trial outwith Scotland or the United States.

Finally, we do not believe that the Libyans intend that any such trial should take place. They have in the past stated that they are powerless to make the accused leave Libya for trial in Scotland or the United States in the absence of an extradition treaty with either of those countries. Equally, however, we must ask what powers they have to compel the attendance of their two nationals should any third country trial be set up in, for example, The Hague when there is no extradition agreement between Libya and the Netherlands.

On the suggestions that the two Libyan suspects be tried at The Hague, I am sure that my hon. Friend is aware that there is no general international criminal court. The Bosnian and Rwandan tribunals were established because of the inability of the countries involved to hold a fair trial. I submit that that is not so in relation to the Lockerbie case.

I am aware that the current sanctions regime may be having an impact on the life of ordinary Libyan citizens, but the Government cannot accept that the blame for this situation should lie at the door of the Security Council or us.

Mr. Dalyell: My hon. Friend said that the Government cannot accept the blame. The truth is that the Government are being blamed along with the American Government, who may be the real motivators in all this. They are being blamed by most of the Arab world, almost the whole of Africa, President Mandela and a great many people in this country who have studied this issue. All the letters from the careful Edinburgh lawyers should be taken into account. To be blunt, this Administration, like the last Administration, are in cloud cuckoo land.

Mr. McLeish: My remarks are predicated on two simple points. First, we have the evidence to prosecute and pursue the two Libyans and, secondly, there are international pressures and sanctions which are being brought to bear on Libya to release the suspects. Although we could be criticised and attacked, logic suggests that the matter could be resolved by the Libyans presenting the two suspects and a trial taking place. Whether they are innocent or guilty is for the trial to establish.

The main reasons for the deprivation of the Libyan people go much wider than has been suggested. There is no objective justification for easing up on the UN sanctions regime before Libya has complied with the requirements of the Security Council resolutions.

I also share my hon. Friend's concern that British business may be losing out on a valuable export market. Once again, in our judgment the fault lies with the Libyan Government. It must also be remembered that our difficulties with the Libyan Government extend back to beyond Lockerbie to the murder of WPC Fletcher in April 1984. My hon. Friend has discussed that matter tonight.

Mr. Dalyell: The issue of WPC Fletcher is thrown into doubt by the three Fulcrum programmes "Murder at St James's". I plead with the Crown Office—television speculation is one thing, but Bernard Knight, the Home Office pathologist, said that the Government's explanation is impossible; Hugh Thomas, the consultant surgeon in Belfast, said that the bullets could not have entered in that way; and George Stiles, a ballistics expert, said that he does not believe that it could have happened in that way.

The Minister should remember that David Veness sat in his office in Scotland Yard last Thursday and told me that they were re-analysing the Yvonne Fletcher case. If Scotland Yard has sufficient doubt to re-analyse, how can one base a major foreign policy issue on such flimsy evidence? It is all very well to say, "Bring the Libyans," but I went on at inordinate length to explain why serious people have the gravest doubts about whether the Libyans did it in the first place. I realise that the Minister is in a difficult position—

Mr. Deputy Speaker (Mr. Michael Lord): Order. I understand the complexities of the debate and the Minister has been generous in giving way, but I think that, at this stage, interventions should be a little briefer.

Mr. Dalyell: Given the complexity and doubts involved, it is building a major foreign policy on shifting sands.

Mr. McLeish: I may be doing a number of things tonight, but I am not shifting sands.

Mr. Dalyell: Building on shifting sands.

Mr. McLeish: I think that my hon. Friend will appreciate that I have given the up-to-date position and I have tried to deal with the concerns that have been expressed.

I was saying that it would be wrong to allow purely commercial considerations to dictate the policy we adopt on sensitive issues such as these. I do not think for a minute that that is the thrust of my hon. Friend's contribution.

Mr. Dalyell: On a point of order, Mr. Deputy Speaker. I must make it clear that I did not say that my hon. Friend was shifting sands. I would not insult him because he has been generous in giving way and I appreciate that a great deal. It is a hard-working reply and I appreciate what he has done. I am saying that the policy was built on shifting sands in relation to the Yvonne Fletcher and Lockerbie evidence. I would not insult him—I do not feel like that.

Mr. Deputy Speaker: That is not a point of order for the Chair.

Mr. McLeish: I acknowledge my hon. Friend's sincere and generous comments.

As my hon. Friend has said, I had a letter from U. K. Families Flight 103. It was about Abolhassem Mesbahi and the current revelations. I shall be frank; the latest revelations are being thoroughly investigated by the Crown Office.

We cannot go into detail about the investigations but I can reassure my hon. Friend that the matter is being dealt with urgently in the Crown Office. That point will be made to the families who have written to me. I wanted to wait until after the debate before speaking to them.

My hon. Friend referred to the response from Downing street by Philip Barton. In that letter, we make the point that

"The investigation remains open and the prosecuting and investigating authorities will consider any evidence brought to their attention."

As is always the case with these debates and the contributions of my hon. Friend the Member for Linlithgow, all of this evening's proceedings will have been recorded and all of the material will be with the Crown Office. I shall certainly want all the letters that I have received during this period to be given to the Crown Office. That is not only a courtesy to my hon. Friend but essential and necessary in the circumstances of this evening's debate.

I shall conclude on that, hoping that some of the concerns I have raised—

Mr. Dalyell: Before he concludes, I should like to thank my hon. Friend, on the record, for the tone of his reply, which is somewhat different from some—not all—of the replies I have received. I thank him very much for the work that he has put into this matter during a busy period.

Mr. McLeish: I am again grateful to my hon. Friend. When at the Dispatch Box one has responsibilities but also an opportunity to be sincere, especially in relation to a crime as heinous as the one we are discussing.

In summary, I shall respond to U. K. Families Flight 103 and I shall pass the appropriate material that I have received in the past few days to the Crown Office and to my right hon. and learned Friend the Lord Advocate. I am sure that there will be further discussions between me and my hon. Friends the Members for Linlithgow and for Dumfries (Mr. Brown).

Question put and agreed to.

Adjourned accordingly at twenty-two minutes to Nine o'clock.

House of Commons

Thursday 24 July 1997

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND EMPLOYMENT

Voluntary Sector and Environmental Task Force

1. **Gillian Merron:** To ask the Secretary of State for Education and Employment if he will make a statement on the voluntary sector and environmental task force options available as part of his proposals to provide employment for young people. [8595]

The Secretary of State for Education and Employment (Mr. David Blunkett): My right hon. Friends the Ministers for the Environment and for Employment, Welfare to Work and Disability Rights and the Minister of State, Home Office—my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael)—last week had an excellent launch of the voluntary sector and environmental task force element of the new deal, which will play a crucial part at local level in the consortiums to be developed and the programme to be laid out.

Gillian Merron: I thank my right hon. Friend for his welcome reply. Will the voluntary and environmental sectors be represented on the task force chaired by Sir Peter Davis? I believe that their involvement is crucial to its success.

Mr. Blunkett: The task force will play a crucial role in the development of the programme and its successful promotion locally. Together with the business sector and others, those sectors will be represented to ensure that a wide view is heard. We have also established an advisory group in which environmental and voluntary sector interests are well represented. They will work at regional and local level to help to develop the programme.

Mr. Clifton-Brown: Does the Secretary of State agree that this scheme could do much good environmental work in Gloucestershire, such as maintaining dry-stone walls and specialist Cotswold stone buildings? Does he further agree that, if we were able to deploy young people on such schemes, the skills that they would have to learn to carry out those tasks, which might otherwise be lost, would be retained in rural areas?

Mr. Blunkett: I agree entirely. I welcome the commitment, and therefore the consensus, that the hon. Member brings to this matter.

Literacy and Numeracy

3. **Mr. Goggins:** To ask the Secretary of State for Education and Employment what guidance he has given to primary schools on teaching literacy and numeracy. [8597]

The Minister for School Standards (Mr. Stephen Byers): Our White Paper "Excellence in schools" sets out in broad terms our strategies for raising standards in literacy and numeracy in primary schools. We will issue more detailed guidance on literacy to local education authorities and schools in the autumn. On numeracy, we will be guided by the work of the numeracy task force, which will offer its interim recommendations in November.

Mr. Goggins: I thank my hon. Friend for his reply. Does he agree that one of the most important things that parents can do to help their children as they grow up is to listen to them reading? What advice is he giving primary schools to encourage them to ensure that parents play their full part in the drive for higher standards?

Mr. Byers: My hon. Friend identifies an important area. A child's first teacher is his parent. Under the previous Government, four family literacy centres were established and were a great success. I am delighted to inform the House that the Government will this year support 265 courses in 64 local education authorities to carry forward that important work.

Jobseekers (Work and Training)

4. **Mrs. Fyfe:** To ask the Secretary of State for Education and Employment what steps he will take to ensure that genuine reasons for refusing an opportunity to work or train are recognised; and if he will make a statement. [8599]

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Alan Howarth): The Government recognise that there are occasions when a jobseeker has good cause for refusing an opportunity of employment or training. The Jobseekers Allowance Regulations 1996 make provision for that. Employment Service procedures ensure that a jobseeker has the opportunity to set out his or her reasons for refusing an offer before a decision is made.

Mrs. Fyfe: I thank my hon. Friend for that answer. May I draw his attention to the fact that in Glasgow high unemployment among young people continues, and it is not because they are workshy? What would happen if places were not readily available? Will my hon. Friend examine carefully the reasons for reducing benefit? The regulations are confusing and there is misunderstanding at local and national level. I hope that that will be sorted out before the new deal is in place to ensure that no injustice is done to any young person.

Mr. Howarth: As my hon. Friend has rightly pointed out, unemployment is all too high, and there is all too much poverty in her constituency of Glasgow, Maryhill. We will do all that we can to ensure that a full range of high-quality options is available for her constituents under

the new deal. As for sanctions, I believe that the rules are entirely clear, but I assure my hon. Friend that there will be no question of a sanction being imposed if an appropriate option is not available to one of her constituents.

Mr. Willetts: Will the Minister elaborate on the remarks that he made the other day to his old soulmates at the Adam Smith Institute? Will he confirm that employers who participate in the scheme will have to give an undertaking that those whom they take on will not displace others who are working for them? Will those employers have to agree that there will be an overall increase in employment in their firms? Are these new-style planning agreements with businesses really the best way of increasing employment?

Mr. Howarth: I relish the ideologically challenging character of the hon. Gentleman's question. He and I always welcome the play of ideas.

I think that the hon. Gentleman would agree that there is a risk that employers will abuse the opportunity provided for them through the offer of a £60-a-week subsidy to enable them to take on a young person under the new deal. He may also agree that we cannot simply be inactive. We cannot say to employers, "Go your own way; let market forces operate, and let people take their chance." It is clear that young people who have been unemployed for more than six months are in difficulty in the labour market, and we must therefore do our best to encourage employers to provide them with work opportunities. At the same time, we must do all that we can do to ensure that a number of employers do not abuse the subsidy, and that is what we are doing.

School Standards

5. **Mr. Amess:** To ask the Secretary of State for Education and Employment what recent representations he has received about standards in schools. [8600]

The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris): This Government's top priority is to raise school standards. Since we took office, my colleagues and I have met a wide range of individuals and organisations, and have taken full advantage of the opportunities to listen to their views.

Mr. Amess: Will the Minister join me in congratulating all the schools in my constituency of Southend, West on their efforts to improve education standards? Will she reassure, in particular, grant-maintained and selective schools that the new Government will do nothing to damage their efforts? Finally, will she undertake to examine the Essex common schools funding formula carefully? At present, the formula works in favour of small schools to the detriment of large schools, particularly Westborough primary school in my constituency, which has 784 pupils.

Ms Morris: I am delighted to congratulate all schools that raise standards in the hon. Gentleman's new constituency, and indeed in all constituencies. Let me take this opportunity to congratulate schools that do well in Basildon as well.

Let me reassure the hon. Gentleman that the Government have no intention of preventing any school, whatever its status, from raising standards. The sooner we shift the debate to standards and away from structure, the better it will be for all children. My hon. Friend the Minister for School Standards is giving careful attention to all matters financial; he will note what the hon. Gentleman has said, together with any representations that are made. We want fair funding, and we realise that, in the transition to it, we must not damage schools that are paramount in the provision of education.

Ms Hodge: My hon. Friend will have read about the case of the 15-year-old girl who appears to have been expelled from a school in Nottinghamshire. Does she share my concern about the fact that a young girl has apparently been expelled simply for complaining about education standards in the school? Does my hon. Friend agree that part of the agenda for raising education standards must be listening to the voice of consumers—parents and students?

Ms Morris: My hon. Friend will understand that, until we receive a report on the incident, it is inappropriate for us to comment here. We have asked for such a report. I understand that the school has now broken up for the holidays, but that the child and her parents will appeal to the governors to ensure that the case is brought to a satisfactory end, as I hope it will be. They should have that right of appeal, and I think that the most sensible option is to let the appeal take its course and to hope that the matter can be resolved locally. That is where it should be resolved. I know that the governing body, together with the head teacher, will want to put the educational interests of the child at the forefront of its decisions.

Mr. Don Foster: Does the Minister agree that, if we are to raise standards in our schools, we need high-quality teachers? Is she aware that, in the past 12 months, 16,000 heads, deputies and teachers left the profession early? Is she further aware that, over the past five years, there has been an 11 per cent. reduction in the number of people entering the profession? Finally, is she aware that, because of the inadequacies in the Chancellor's Budget for education, there will be further cuts in the teacher work force next year? Taken together, those facts are a ticking time bomb. How does the Minister intend to prevent it from exploding?

Ms Morris: I share the hon. Gentleman's concern about the shortfall in teacher recruitment figures, which I have discussed with him. We need our best graduates in teaching—people who are good leaders and good teachers and who want to take their share of responsibility for educating the next generation.

The Government will put at the forefront of their intentions plans to attract the best into teaching. The consultation which my hon. Friend the Minister for School Standards launched this morning on the general teaching council is one of the many ways in which we are attempting to attract better graduates into teaching. We inherited a difficult situation from our predecessors in terms of teacher supply; they took no action to deal with the problem. We shall take action, and we hope to make announcements in due course.

I am proud of the Chancellor's settlement. It means that extra money will go into schools this year for capital and revenue spending, and I know that schools throughout the country will greatly welcome that.

Mr. Bill O'Brien: When considering standards in schools and the quality of teachers, will my hon. Friend have regard to the quality of the buildings in which teachers and children have to teach and learn? In particular, will she have regard to the primary school in Wrenthorpe in my constituency, which is an old building? We need new buildings for people to teach and work in.

Ms Morris: I agree with my hon. Friend that the condition of school buildings plays its part in our mission to help to raise standards. He will welcome the statement by my right hon. Friend the Chancellor which put £1 billion over four years into building capital. We have much to make up, given what we inherited from the Conservative Government. I assure my hon. Friend that we take seriously our obligations to make sure that our children learn in satisfactory circumstances. As he knows, we have made a good start with this year's financial settlement.

Tuition Fees

7. **Mr. Willis:** To ask the Secretary of State for Education and Employment what proposals he has to charge students in higher education for all or part of their tuition fees; and if he will make a statement. [8602]

Mr. Blunkett: I refer the hon. Member to the statement that I made in the House yesterday.

Mr. Willis: Does the Secretary of State agree that his announcement yesterday about students paying for tuition fees will not put money into our universities immediately? Does he agree with Sir Ron Dearing's analysis that, to try to combat the 6.5 per cent. deficit over the next two years, which is the legacy of the previous Administration, he will need to find £100 million for next year and £250 million for the following year, simply to stand still? If the right hon. Gentleman agrees with Sir Ron, will he guarantee to provide that funding?

Mr. Blunkett: I agree with the hon. Gentleman that there is a shortfall and that it arises from the previous Government's settlement for higher education in the next two years. As part of the fundamental spending review undertaken by the Government, we shall address how best to meet that deficit and how to ensure that, between now and the resumption of a revenue stream for higher and further education, we can sustain standards and quality.

Mr. Gunnell: I congratulate my right hon. Friend on the way in which he presented the issue of fees and maintenance yesterday. In particular, I thank him for the way in which he made plain his intention that no one would be prevented from undertaking higher education by these charges. He gave the limits for qualifying home income for places that would be provided free of cost. Will the household income of current part-time students who receive pay be looked at on the same basis? Has any thought been given to whether part-time students will be eligible for student loans?

Mr. Blunkett: I thank my hon. Friend for his remarks. As I said yesterday, we need to examine how equity between full and part-time students can be obtained. We will consider that as part of the development of the White Paper in the autumn. Those considerations will include the disregards against the gross income of a family or individual, which include at the moment the discounting of mortgage but not rent, and the discounting of some forms of domestic help. It will cause great disquiet to the House when it realises that those discounts are provided against gross income, and it will want us to deal with such anomalies, as well as with the general thrust of my statement yesterday.

Mr. Dorrell: Following yesterday's statement, will the Secretary of State confirm that, under his proposals, the loan available to an individual student will be equivalent to the total amount of loan and grant currently available to that individual student, plus an enhancement that would be sufficient to pay the means-tested tuition fee that he proposes to introduce? If that is the position, is it not true that any increase in resources for higher education during the next three years—the length of a course for students starting from next September—would have to come from extra public expenditure or publicly guaranteed expenditure in the form of loan disbursements? Given everything that he said yesterday about the importance of his proposals in releasing new resources for higher education, will he now be more specific about what he plans in terms of extra resources for British universities?

Mr. Blunkett: I am happy to answer the right hon. Gentleman's questions, especially as he has put them more gently than he did yesterday. With one addition—that, for those with hardship, there will be a supplementary loan available of £250 a year—I can confirm that his figures are correct. In the first year—if we are in a position to implement the proposals from next September—we would raise around £125 million. That would be displaced by the introduction of the loan scheme. It will therefore be necessary to consider additional resources in the light of my reply to the hon. Member for Harrogate and Knaresborough (Mr. Willis).

Young People (Assistance)

8. **Fiona Mactaggart:** To ask the Secretary of State for Education and Employment in what ways he will ensure that options offered to young unemployed people are suited to their individual needs. [8603]

The Minister for Employment, Welfare to Work and Disability Rights (Mr. Andrew Smith): The individual needs and circumstances of every eligible young person will be addressed in the up to four months gateway period before they start a new deal option. The Employment Service will work in partnership with professionals and agencies to ensure that young people receive independent careers advice and help in tackling particular social and other problems that are holding them back from training or work.

Fiona Mactaggart: I thank my right hon. Friend for his reply. I commend to him a partnership that already exists in Slough, led by Mars and other local companies and engineered by our local authority, which is beginning

to provide opportunities very like those to be provided by the welfare-to-work programme. What has been a concern among that group, however, is that the Employment Service was very reluctant to join the partnership. How will he ensure that the Employment Service does work with other partners to ensure the quality of experience for each individual, because the policy will require a major cultural change in the Employment Service, which has been not about providing services to individuals but about meeting phoney targets?

Mr. Smith: I was interested to learn of the initiative in my hon. Friend's constituency. We want to build on the best practice that is already out there in terms of partnership to help young and long-term unemployed people. My hon. Friend is right to say that successful delivery of the new deal in partnership does involve a change in the task that the Employment Service was given by the previous Administration. It means a culture shift. That is accepted by the people who work for the Employment Service, and a programme is being driven forward by the chief executive. The Under–Secretary, my hon. Friend the Member for Newport, East (Mr. Howarth), and I have addressed meetings of employment centre staff throughout the country to ensure that they are fully engaged in the shift that is needed to ensure that the Employment Service helps our young people to take the great opportunities that will be offered in the new deal.

Mr. Öpik: What consideration has been given to ensuring that young unemployed people in the countryside are successfully included in the scheme, thereby reducing the immense pressures on young people to move from the countryside into cities in search of work?

Mr. Smith: As well as the 27 regional consultation meetings which are being held by the end of the first week in August, there will be local consultation meetings in September and October in each locality so that we can ensure that the new deal design is sensitive to the needs of the client group in the areas in which the programmes are carried forward. The pathfinder districts where the new deal will start early, in January, will include rural areas to ensure that we learn from that experience.

Information Technology

9. **Mr. Gareth R. Thomas:** To ask the Secretary of State for Education and Employment what plans he has to ensure that information technology is used effectively for adult learning. [8604]

The Parliamentary Under–Secretary of State for Education and Employment (Dr. Kim Howells): We are increasing information and advice to employers. In addition, the new university for industry will encourage and develop a wide range of learning opportunities, including many that are information technology based.

Mr. Thomas: I am grateful to my hon. Friend for his reply. Does he agree that, if we are to use information technology effectively in adult education, we must also increase support and training to teachers and further education lecturers? If he does agree, can he explain to the House how he intends to increase teacher confidence in exploiting technology to meet student needs?

Dr. Howells: My hon. Friend will be glad to know that I met the Teacher Training Agency this morning to discuss this subject, and I was encouraged by its enthusiasm and breadth of knowledge on the use of information technology in schools for education. My right hon. Friend the Secretary of State is discussing with the Department for Culture, Media and Sport how best to deploy lottery money in order to fund the Teacher Training Agency for the use of IT. We recognise that it is crucial if we are to make a success of this great boon to learning.

Mr. Keetch: Is the Minister aware of the concern among many employers at the lack of IT training on courses for national vocational qualifications? Given that IT is now part and parcel of almost every profession, what measures are the Government taking to increase the IT element in such courses?

Dr. Howells: The hon. Gentleman is quite right to say that IT is at the centre of so many disciplines. I was shocked to discover the appalling mess in which the previous Government left the IT sector after 18 years. It was a total shambles and was very patchy. I suspect that that is because most of the previous Ministers did not know how to turn on a computer.

School Standards

10. **Helen Jackson:** To ask the Secretary of State for Education and Employment what role he plans to give to local education authorities in supporting schools to raise standards. [8605]

12. **Mr. Lock:** To ask the Secretary of State for Education and Employment what proposals he has for the role local education authorities should have in supporting schools to raise standards. [8607]

Mr. Blunkett: The White Paper "Excellence in schools", published on 7 July, sets out the key task of self-improvement within schools, but supported by the local authority with advice and the spread of best practice. The provision of a development plan worked out with the schools which will be submitted to the Department will deal with the way in which, by collaboration rather than conflict, we can ensure that each plays its part in raising standards for the future.

Helen Jackson: I thank my right hon. Friend for his reply. I am sure that he will agree that the Tory years of cuts have left many classrooms poorly equipped with new technology and with scruffy and inadequate books and library areas. In poorer areas particularly, parents do not have, and cannot afford, the top-up necessary to help in that regard.

In their support role, will local education authorities also be given a monitoring role on that bread-and-butter side of education standards in schools? When the Government start their regular inspection of LEAs, will they ensure that it covers the bricks, mortar, books and wherewithal of teaching, as well as the standard of teaching itself?

Mr. Blunkett: I assure my hon. Friend that the inspection will cover the availability of the equipment, books and material that are so crucial to raising standards and enabling teachers to do their job. My Department

wrote to the directors of education on 18 July asking them to consider equipment and technology in the bids that they will put in for a share of the £250 million a year that was allocated by the Chancellor in the Budget on 2 July.

Mr. Lock: Does my right hon. Friend agree that one of the most important areas of co-operation between local education authorities and schools is that of special educational needs? Is he aware that in my constituency of Wyre Forest there is good co-operation between schools and the LEA?

I welcome the statement in the White Paper that resources will be switched from the bureaucratic requirement to obtain a statement into proper and effective help for those children with special educational needs. May the House have further details on how that switch of resources to provide effective help will be achieved? Will my right hon. Friend assure the House that those who work in the important area of special educational needs are central to the Government's crusade to raise standards? They are not working at the periphery of an elitist educational system which benefits only the few.

Mr. Blunkett: I am grateful to my hon. Friend for raising an important and often neglected area in the education system. In the autumn, we will publish a Green Paper so that we can develop consultation with schools, special needs co-ordinators and parents on the best way to ensure that we place resources at the right level and at the right time for intervention to be most effective. We want to overcome, where that is possible, the special needs of the youngsters and to reinforce the work already taking place in our schools. It is time that we placed as much emphasis on those with special educational needs as we place on the small elite group who, with our help, continue to flourish in our education system.

Mr. Bercow: Does the right hon. Gentleman believe that requiring the star-performing London Oratory to submit an annual improvement plan to the poor-performing Hammersmith and Fulham education authority will contribute to improving standards in that school?

Mr. Blunkett: I want to make it clear that, over recent times, Hammersmith and Fulham education authority has been doing an excellent job in supporting and raising standards in its area, including at the Phoenix school, which is a classic example of how a fresh start can give a school the opportunity to offer, to the children who inevitably attend it, the sort of education which, regrettably, Conservative Members seem to think can and should be available only to a very few.

I also want to make it clear that there is room for improvement in every school in this country. We agree with the Office for Standards in Education that the average should be increased to the excellent and the excellent should be striving for even greater excellence for the sake of the children in those schools.

Mr. Dorrell: Is the right hon. Gentleman aware that there is an increasing belief that his White Paper on schools was simply a series of pious aspirations? Why did he decide to publish his White Paper, but delay until later in the year publication of the detail of his proposals for the future structure of schools? Does he understand that it will not be acceptable to publish that consultation document in the middle of the school holidays and then say that those interested in the future structure of schools had had adequate time to react to his proposals?

Mr. Blunkett: A representative of the previous Conservative Government talking about stages, levels and timing of consultation really takes the biscuit. The right hon. Gentleman sheds tears about people who are on holiday and therefore not available for consultation. He would do better to examine what the White Paper is all about—standards and excellence in schools; concentrating on the future, not the past; and a new agenda uniting all those who want to move away from past conflict and division. That is why, in consulting on any further changes, we will ensure that we work with the grain and consensus. I appeal to the right hon. Gentleman not to be so griping and sour in everything that he says and does.

Mr. Skinner: Does my right hon. Friend agree that, when standards have been raised, especially in the working-class base where they need to be raised, and when literacy and numeracy have been improved, as an earlier answer suggested they would be, more and more young people will want to go to university? Until yesterday, one feature that distinguished us from the Tories was our stance on tuition fees and similar issues. There seemed to be a blurring of the edges yesterday. May I ask my right hon. Friend, as modestly and quietly as I can, to take sufficient time before the publication of the White Paper and the introduction of the Bill to listen to the many voices from the Labour Benches about financing? Can he assure us that we have not heard the last word yet?

Mr. Blunkett: As quietly and gently as I can, I tell my hon. Friend that there will never be a last word on any subject with him in the Chamber. I assure him that we shall listen and respond. We shall lift the cap on access to higher education that the previous Government brought in. We shall ensure quality and standards for those for whom education will be available because of the new access when it would not have been available had we not found an alternative income stream. We shall ensure that those from families earning more than £35,000 a year, who will not receive help with the payment of fees, will be supported in fulfilling the expectations and aspirations that will no doubt come from their parents, given the level of income that they are drawing on.

Assisted Places Schemes

11. **Mr. Ian Bruce:** To ask the Secretary of State for Education and Employment what measures he proposes to take to ensure money that saved from the abolition of the assisted places schemes is ring-fenced to reduce class sizes of five, six and seven-year-olds. [8606]

Mr. Byers: We intend to channel funds to local education authorities through specific grant to ensure that resources are dedicated to delivering on our pledge to reduce class sizes.

Mr. Bruce: I am grateful to the hon. Gentleman for explaining that, but he has not clarified the issue of ring-fencing. My education authority in Dorset is controlled by the Liberal Democrats, not the Labour party. County councillors have the right to decide how to spend that money. The Government have made a pledge to reduce class sizes. How will they fulfil that manifesto pledge without ring-fencing the money and telling county councils that they can spend it only on reducing those class sizes?

Mr. Byers: I apologise for not addressing that clearly enough in my original reply. I said that we would channel the funds through specific grant, which is a technical way of saying that the money will be ring-fenced. The money can be used only to reduce class sizes for five, six and seven-year-olds. We make no apology for that requirement. We made that pledge to the British electorate during the campaign, and we intend to honour it in government.

Valerie Davey: Will the Minister join me in deprecating the comment of the Conservative candidate in Uxbridge, who, when told that one in five children in the area were in classes of more than 30, claimed that it had no direct bearing on Uxbridge?

Mr. Byers: I join my hon. Friend in condemning the Conservative candidate in Uxbridge, who is clearly prepared to turn his back on the needs of five, six and seven-year-olds in that constituency. There is no doubt in my mind that, after the by-election next Thursday, I shall be able to work with my colleague Andrew Slaughter to ensure that we can deliver on the class size pledge to those young children in Uxbridge, where one in five are presently in classes of more than 30. We shall deliver on that pledge in Uxbridge and in the rest of the country.

Mrs. Browning: Last Friday morning, the Minister promised a technical consultation to work out how the Government's pledge of classes of a maximum of 30 could be put into practice in small Victorian primary schools in rural areas that teach across an age range. Will he promise that a cost assessment will accompany that consultation? If the practicalities of how the pledge will be delivered in rural areas have yet to be worked out, there will clearly be attendant costs that the Minister has not taken into account.

Mr. Byers: The Government have made it clear that we shall honour the pledge that we gave to the electorate during the election campaign. The hon. Lady is right. Within a matter of weeks, we shall issue our consultation paper, which will show how we intend to honour the commitments made in the White Paper. That consultation document will address the issues the hon. Lady raised last Friday and again today.

Lifelong Learning

13. **Mr. Sheerman:** To ask the Secretary of State for Education and Employment when he plans to announce his new programme for lifelong learning. [8608]

Dr. Howells: My right hon. Friend the Secretary of State will set out his plans for lifelong learning in a White Paper to be published in the autumn.

Mr. Sheerman: Does my hon. Friend agree that lifelong learning must suffuse our whole education system? Does he also agree that it must play a part in the decisions announced yesterday on the Dearing report? Will he assure me that every business that has a good scheme for lifelong learning will be consulted, and that we shall look at best practice in all universities nationally and internationally before we make our decisions?

Dr. Howells: There are some excellent schemes for education and staff development in many of our leading firms. I would very much like lifelong learning to include proposals on how best small and medium enterprises, as well as everyone else involved in manufacture and education, can access those centres of excellence. I hope that that information can be disseminated throughout society.

School Standards

14. **Mr. Jenkins:** To ask the Secretary of State for Education and Employment what proposals he has to raise standards in schools. [8609]

Mr. Byers: The White Paper "Excellence in schools", published on 7 July, sets out in detail the Government's proposals for raising standards in schools and summarises what we aim to achieve over the lifetime of this Parliament.

Mr. Jenkins: I thank my hon. Friend for his answer. How does he intend to include as many parents as possible in our crusade to raise standards in education, bearing in mind the wide range of abilities among parents? I am thinking not only of special needs children, but of special needs parents. How do we involve all parents in the crusade?

Mr. Byers: My hon. Friend is right to emphasise the important role that parents play in raising standards, particularly in the basics of literacy and numeracy. We intend to introduce home-school agreements which will lay down clearly the rights, responsibilities and duties of schools and parents. We believe that, by adopting that approach, we shall be able to engage parents in the important process of improving the education that their children receive.

Mr. Malins: I understand that the minimum requirement to enter teacher training college is now three grade Cs at A-level. If that is right—perhaps the Minister can confirm it—is not the requirement rather low? Would we not have a better-educated teaching profession if we raised the standard required for those wishing to enter teacher training colleges?

Mr. Byers: The hon. Gentleman is right. We have inherited a legacy of neglect as a result of 18 years of Conservative Government; and recruitment to teacher training illustrates that point well. My right hon. Friend the Secretary of State will shortly write to the School Teachers' Review Body and, in the process, he will draw that body's attention to the need to retrain, recruit and motivate teachers. We shall take positive steps to do that

because we recognise that the only way in which we shall improve the quality of the education our children receive is by raising the quality of classroom teaching.

Helen Jones: Does my hon. Friend agree that one of the most effective ways in which to raise standards in schools, as shown by academic research, is to cut class sizes? In this connection, is it not a disgrace that the Conservative party has consistently tried to block the Government's attempts to do that, to the detriment of the vast majority of children?

Mr. Byers: There is no doubt in our mind that, by reducing class size, we shall improve the quality of education that our children receive. That is why we are pledged to reduce class sizes to 30 or fewer for every five, six and seven-year-old. Those young children have been the innocent victims of the previous Government's neglect of the education service. We do not intend to turn our backs on those young people. We shall reduce class sizes so that what is presently the privilege of a few will become the right of the many.

Nursery Education

15. **Mr. Waterson:** To ask the Secretary of State for Education and Employment what proposals he has to ensure universal nursery education; and if he will make a statement. [8610]

Ms Estelle Morris: Local education authorities will set out in their early-years development plans how they will provide, by September 1998, three terms of pre-school education to all four-year-olds whose parents want it.

Mr. Waterson: Is the hon. Lady aware of the strong support in Eastbourne and elsewhere for both the playgroup movement and private nursery provision? Is it not a tragedy that, as a result of the scrapping of the nursery voucher system, for party political and dogmatic reasons, many parents in my constituency will not be able to have access to such diversity of provision, which was the centrepiece of the previous Government's policy?

Ms Morris: I share with the hon. Gentleman's constituents my admiration for much of that done by the voluntary and independent sectors in providing good-quality early-years education for our young children. His Government's voucher policy particularly threatened the voluntary sector. As a result, we have abolished the voucher scheme and replaced it with planned provision to ensure that all the money that is available for early-years education can be spent on young children and not on bureaucracy.

I have made it clear before, and I reassure the House and the hon. Member again, that plans that come forward as development plans will have to show proper partnership between the maintained, voluntary and independent sectors. They will not be approved unless they show such partnership.

Mr. Pike: Does my hon. Friend recognise that parents with young children throughout the country welcome the steps being taken by the Labour Government to make nursery education available as of right to all four-year-olds, and look forward to the day when, after 18 years of neglect, the Labour Government are able to make nursery education also available to three-year-olds?

Ms Morris: I am grateful for my hon. Friend's comments. He is absolutely right. There has been evidence for a long while that the best way to give children a good start in education is to give them the best start in early-years education. The tragedy has been that whether a child received such education depended on where they lived, not whether they needed it. Parents will welcome our pledge at long last to do what Labour local authorities have been doing for a very long time: ensuring that all four-year-olds whose parents want it have good-quality early-years education. Parents will also welcome it if we move quickly to ensure that such education is available for three-year-olds as well.

Mr. Allan: Given the Government's clearly stated aim to create partnerships between LEAs, the voluntary sector and the independent sector, which the Liberal Democrats support, what does the Minister make of difficulties faced by some voluntary sector providers, such as the Bradway playgroup in my area, in getting registered to provide places in an area which, historically, has had little or no LEA provision? Will she look at that urgently?

Ms Morris: I am not aware of the particular playgroup to which the hon. Gentleman refers, but if he thinks that it is appropriate that I look at the matter, I shall of course be happy to do so. It is very important that all providers reach the standards that we expect as providers of early-years education for young children. That is clearly set out in the learning outcomes. I should have thought that, if providers reach those standards, they should be talking to the local authority. If they have a part to play in the provision of early-years education, integrated with child care, the early-years development plan is the arena in which they can make their voices heard.

New Deal

16. **Mr. David Taylor:** To ask the Secretary of State for Education and Employment what representations he has had from small business representatives about the new deal proposals for providing employment for young people. [8611]

Mr. Andrew Smith: My right hon. Friend the Secretary of State and I have received a wide range of representations. Representatives of small business were also among those who attended the Chancellor's new deal breakfast seminar at the end of last month and the national and regional consultation meetings which are now under way.

Mr. Taylor: I thank my right hon. Friend for that reply. Is he aware that, in former mining areas such as mine of north-west Leicestershire, the expansion plans of small and medium enterprises are often slowed or stalled by skill shortages? Does he agree that, if those SMEs were to follow the advice of the Federation of Small Businesses and get involved with our new deal plans, they would often find just the right people to allow their development to continue?

Mr. Smith: My hon. Friend is right. Small and medium businesses, in constituencies such as his and elsewhere, have a great opportunity to match their unmet labour needs with the enormous potential of our young people, which the previous Administration so tragically allowed to go to waste.

Mr. Spring: In contrast to the experience of the rest of Europe, why have small businesses in Britain been so successful in helping to reduce the level of youth unemployment?

Mr. Smith: The representations that we receive daily from small businesses and small business representatives in support of the new deal show that much more can be achieved. The extra support and training available through the new deal will, for many small businesses, make the difference between being able to take on extra employees and not being able to take them on. We want them to take on new employees, because the new deal is about jobs.

University for Industry

17. **Ms Rosie Winterton:** To ask the Secretary of State for Education and Employment what plans he has to establish a university for industry. [8613]

Dr. Howells: My right hon. Friend hopes to announce our plans for developing the university for industry very shortly.

Ms Winterton: I thank my hon. Friend for that reply. Does he agree that the key to improving skills and training is to bring together business, industry, education institutions and training providers with Government Departments to identify strategic priorities? What advice can he give businesses in my constituency which wish to become involved with the university for industry?

Dr. Howells: We are consulting widely on the form and shape that the university for industry will take. Survey after survey has shown that one of the great weaknesses of British industry is the quality of its management. If the management of small and medium enterprises can begin to access the best of our larger and more successful firms and the better of our smaller firms, that will benefit everyone, especially those in the manufacturing sector that my hon. Friend mentioned.

Sixth Forms

19. **Mr. Bennett:** To ask the Secretary of State for Education and Employment what estimate he has made of the number of new sixth forms which will open this autumn. [8615]

Dr. Howells: We consider every sixth form application on its merits and will continue to do so.

Mr. Bennett: Does my hon. Friend accept that establishing new sixth forms is not the best use of resources? Is he aware of the problems in Tameside, where the previous Government approved a new sixth form for Audenshaw high school in spite of the excellent provision in Tameside college, Ashton sixth form centre and Hyde sixth form centre? It would have been better to use the resources in all the local authority schools in Tameside instead of establishing a new, unnecessary sixth form at Audenshaw high school.

Dr. Howells: I was sorry that I had not seen the application before it was agreed by the previous Administration, but we pay special care and attention to every application that is made to the Department for an additional sixth form in any school anywhere in England. We shall continue to do so, because we are well aware that resources are precious and that unnecessary duplication should not happen. We shall be careful when deciding which schools are allowed to have sixth forms in future.

Mrs. Virginia Bottomley: Before considering new sixth forms, will the Minister look carefully at the funding formula as it affects existing sixth form colleges? My constituency contains two excellent sixth form colleges, but the funding formula is in danger of adversely affecting them. Will the Minister move towards greater convergence in the funding formula for sixth formers, whether in school or in sixth form colleges?

Dr. Howells: The right hon. Lady is right, and we must look carefully at that formula. The Further Education Funding Council deals with sixth form colleges, which are separate from sixth forms in schools, and we must examine the relationship between them carefully. At every opportunity, we seek excellence and best practice. Whether those factors are provided in a sixth form in a school or in a sixth form college, our decision will be based on that information and our desire to raise standards.

Youth Training

20. **Mr. Mackinlay:** To ask the Secretary of State for Education and Employment if he will make a statement on his proposals to increase training and employment opportunities for young people. [8616]

Mr. Andrew Smith: Through the new deal and Target 2000 we shall increase, and put into the mainstream, opportunities for young people to prepare and equip themselves for the world of work, so that they are empowered to play a full and productive part in society.

Mr. Mackinlay: Does the Minister accept that thousands of young people are languished on the dole queue with no opportunities for training or developing skills during the years of Conservative government, and who are looking to the new Government to give them early, fairly immediate opportunities to improve their quality of life and increase their talents and skills, both for their own sake and for that of their families and of this country? What can he suggest to the House to give those people some immediate hope, some aspirations for the coming 12 months?

Mr. Smith: The new deal that we have proposed offers the quality options of work, primarily with private sector employers, or on the environmental task force or in the

voluntary sector and, for those who lack basic skills, the opportunity of full-time education and training for up to 12 months. That is in addition to the measures set out by the Chancellor for sustainable growth in the economy, to enable us to repair the social damage and the wasted lives to which my hon. Friend rightly referred.

Employment Proposals

21. **Mrs. Brinton:** To ask the Secretary of State for Education and Employment if he will make a statement on the introduction of his proposals for providing employment for young and long–term unemployed people. [8617]

Mr. Andrew Smith: The new deal for 18 to 24-year-olds will begin in a number of "pathfinder areas" in Britain in January next year, and will be introduced nationally next April. The help for people aged 25 or over who have been unemployed for at least two years will start in June 1998.

Mrs. Brinton: I thank my right hon. Friend for his reply. Is he aware that yesterday, in my constituency of Peterborough, I presented the new deal to the chamber of commerce, where it was most warmly welcomed? Is he also aware that Shackleton Associates, also in my constituency, is already operating a highly successful pilot scheme? Does my right hon. Friend agree that the Labour party, not the Conservative party, is now the party of business and enterprise?

Mr. Smith: Yes, indeed. My hon. Friend is right to draw attention to the positive reception that our new deal proposals are receiving from the business community, just as they are from the people of this country as a whole. If this country is to become, as it should, a one-nation Britain, that requires a whole-nation effort. [*Laughter.*] Conservative Members who are laughing should join that effort and become part of the solution, rather than part of the problem, which is what their party's Administration was.

Mrs. May: Is the right hon. Gentleman aware of the report by the Policy Studies Institute that was mentioned in the press some days ago? It said that the previous Government's proposals for getting unemployed people into work had been extremely successful, especially what I think was called the workfare proposal, whereby people went into work for a number of weeks while remaining on benefit? At the end of the period, that had achieved a far higher percentage of unemployed people getting permanent jobs than had many other such schemes.

The report also said that the Government's new deal welfare-to-work proposals were likely to be expensive and unnecessary, and would not be as successful as those of the previous Government. What percentage of unemployed people does the Minister expect to achieve permanent jobs at the end of their time on a welfare-to-work scheme?

Mr. Smith: I think that the hon. Lady has misnamed the study referred to in the report. If I recall correctly, the report praised the work trial initiative, which enabled long-term unemployed people to have trial placements with employers while still in receipt of benefit, so that their fitness for employment, and the employers' keenness to take them on, could be assessed. That had a measure of success and, as I have been saying in response to my hon. Friends, I would see us, through the new deal, building on what works well in the community at present. The range of choices that will be made available, coupled with the incentives to employers both for 18 to 24-year-olds and for the long-term unemployed who are 25 or older, means that the new deal will surely be even more successful than the initiative that the hon. Lady mentioned.

Jobseeker's Allowance

22. **Mr. Breed:** To ask the Secretary of State for Education and Employment if he will make a statement on the imposition of a requirement to be available for work on Sundays in order to qualify for jobseeker's allowance. [8618]

Mr. Alan Howarth: People receiving jobseeker's allowance do not have to be available for work on a Sunday, providing that they can agree a pattern of availability for work with their Employment Service adviser which means they are available for the number of hours required, usually for 40 hours a week, and gives them reasonable prospects of securing employment. If, for example, a clergyman were to propose that his pattern of work should be such that he would not need to be available for work on a Sunday, we should look askance at that.

Mr. Breed: Will the Minister make his view crystal clear to all officers dealing with jobseeker's allowance, because there is a growing feeling that people who have to turn down jobs on moral grounds because they potentially involve work on Sundays are being denied their jobseeker's allowance?

Mr. Howarth: It is made clear in the jobseeker's regulations that genuinely held religious or conscientious reasons for declining an offer will be accepted as a good cause. However, I take the hon. Gentleman's point. It is important that all Employment Service staff react with sensitivity to the genuine conscientious concerns of unemployed people.

Rev. Martin Smyth: I can assure the Minister that to lead the people of God in worship on a Sunday is not work—work is the rest of the week. We have had assurances that people would not be penalised if they were concerned about Sunday work. Can I plead that there be no restrictions at any level? If there are restrictions, we shall be moving towards not only the millennium but the mark of the beast.

Mr. Howarth: It certainly would not be work to listen to either a speech or a sermon from the hon. Gentleman. I can give him the assurance that he seeks.

Mr. Brady: On a point of order, Madam Speaker.

Madam Speaker: No. I am sorry, but points of order are always taken after statements.

Scottish Devolution

3.31 pm

The Secretary of State for Scotland (Mr. Donald Dewar): With permission, Madam Speaker, I should like to make a statement about our plans for the Scottish Parliament. Copies of this statement and the White Paper are now available in the Vote Office.

On 1 May, the people of Scotland—like the people of the United Kingdom as a whole—voted for our manifesto and a comprehensive programme of constitutional change. At its heart was our commitment to create a Scottish Parliament and a Welsh Assembly, giving the people of Scotland and Wales more control over their own affairs within the United Kingdom. Our aim is to make government more open, more accessible and more accountable to the people whom we serve, and to give the United Kingdom a modern constitution fit for the 21st century.

The Government are losing no time in turning these commitments into reality. On Tuesday, my right hon. Friend the Secretary of State for Wales published his plans for devolution to Wales. Today, I am laying before the House the detailed proposals for the Scottish Parliament.

Like many others in the House and beyond, I have campaigned long and hard for a Scottish Parliament over the years. Few occasions in my long parliamentary career have given me as much pleasure as coming here today to present our firm proposals for that Scottish Parliament.

In my time, I have seen many devolution schemes. I genuinely believe that this is the best, and is right for Scotland. We have renewed, modernised and improved on the plans agreed within the broad coalition of Scottish interests in the Scottish Constitutional Convention. The scheme will provide a new, stable settlement which will serve Scotland and the United Kingdom well in the years to come.

Let me outline what we propose. The Scottish Parliament will have the power to make the law of Scotland in devolved areas. Entrusting Scotland with control over her own domestic affairs will better allow the people of Scotland to benefit from, and contribute to, the unity of the United Kingdom.

The Scottish Parliament will hold to account an Executive headed by a First Minister which will operate in a way similar to the United Kingdom Government. Together, the Scottish Parliament and Executive will be responsible for the wide range of domestic matters which affect everyone living in Scotland, including health; education and training; local government; housing; social work; aspects of economic development; transport; the law and home affairs; the environment, including the natural and built heritage; agriculture, fisheries and forestry; sport and the arts. The details are in the White Paper.

A key aspect of the Scottish Parliament's role will be to create and maintain an effective oversight of other Scottish public bodies, the health service and particularly local government. We expect the Scottish Parliament and Executive to complement and not encroach on democratically elected local government.

Let me tell the House why this is an advance on any scheme that has gone before and why I believe that not only the time is right but the scheme is right. The Parliament will have extensive law-making powers. Unlike in 1978, the full range of the Scottish Office's functions will be devolved. This will provide the opportunity to make a real difference in the areas that matter.

The legislation will define reserved matters, not devolved matters, and the Scottish Parliament will be able to exercise its law-making powers in all areas that are not specifically reserved to Westminster. The relationships between the Scottish Executive, the United Kingdom Government and the Crown will provide clarity and stability for the future. The Parliament will have the discipline and responsibility of defined financial powers. The Scottish Executive will be closely involved with the United Kingdom Government in European decision making.

Throughout the White Paper, our guiding principle is to trust the Scottish people to make the right decisions on their own behalf. The detailed procedures, the working arrangements and the practical issues relating to the governance of Scotland will properly be left to the Parliament and the Executive, answerable, as they will be, to the Scottish electorate.

The United Kingdom Parliament is, and will remain, sovereign in all matters, but, as part of our resolve to modernise the constitution, Westminster will be choosing to exercise that sovereignty by devolving legislative responsibility to the Scottish Parliament, without diminishing its own powers.

Those matters more appropriately dealt with on a United Kingdom basis will remain at Westminster. They will include the constitution of the United Kingdom; foreign policy; defence and national security; the stability of the United Kingdom's fiscal, economic and monetary system; common markets for United Kingdom goods and services; employment legislation; some health issues, including abortion; social security matters; and most aspects of transport safety and regulation.

After devolution, Scotland's Members of Parliament will continue to play a full and constructive role in the proceedings of this House. That is right both for Scotland and for the United Kingdom, because devolution is about strengthening the United Kingdom.

The distribution of seats is regularly reviewed by the parliamentary boundary commissions, which follow criteria defined in statute. At present, special statutory provisions stipulate a minimum number of Scottish seats. This has led to Members for constituencies in Scotland representing, on average, fewer constituents than do Members in other parts of the United Kingdom.

Our devolution proposals mean that, in practice, Westminster will no longer be the forum for scrutinising much of Scotland's domestic legislation. This brings into sharper focus the imbalance in the current arrangements. The Government have decided that the requirement for a minimum number of Scottish seats should no longer apply. Primary legislation will be needed. This will be put in place before the next full boundary commission review.

Other statutory requirements, such as the need to give due weight to geographical considerations and local ties, will continue to apply. The actual number of seats allocated to Scotland will be for the boundary commission to recommend, exercising its judgment in accordance with the criteria laid down.

There will continue to be a Secretary of State for Scotland who will work with the new Scottish Parliament and represent Scottish interests within the United Kingdom Government. The staff of the Scottish Executive will continue to be part of a unified home civil service. The Scottish Executive and the United Kingdom Government will work closely together at ministerial and official level. The stability of the system is of the utmost importance. The White Paper sets out detailed arrangements for these working relationships and for resolving any disagreements.

The people of Scotland will continue to benefit from the influence that the United Kingdom has as a major state within the European Union. Relations with the European Union will remain the responsibility of the United Kingdom Government, with the Scottish Executive making an effective and appropriate contribution to United Kingdom decision making on Europe. Ministers in the Scottish Executive will have an opportunity to participate in relevant meetings of the Council of Ministers, and in appropriate cases could speak for the United Kingdom.

There will be a Scottish representative office in Brussels; this will complement the role of the Office of the United Kingdom Permanent Representative to the European Community, and will allow the Scottish Executive to operate more effectively in Europe. The Scottish Executive will have an obligation to implement EU legislation on devolved matters. Our proposals are very much in line with developments across the European Union.

The financial framework for the Scottish Parliament will be based on the present "block and formula" arrangements for the Scottish Office, known as the Barnett formula, adapted to match the range of the Scottish Executive's future responsibilities and to maintain and improve transparency and accountability. This will give the Scottish Parliament the ability and freedom to approve spending decisions that are fully in accordance with Scottish needs and priorities.

As an integral part of these financial arrangements, the control of local government expenditure, non-domestic rates and other local taxation will also be devolved to the Scottish Parliament, with appropriate safeguards to protect all UK taxpayers. The Government's objective is to ensure that Scotland's spending decisions are taken in Scotland, in the light of Scottish circumstances.

Subject to the outcome of the referendum, the Scottish Parliament will be given power to increase or decrease the basic rate of income tax set by the UK Parliament by up to 3p. The Parliament will have a guaranteed right to raise or to forgo up to £450 million—index-linked—irrespective of changes in the UK income tax structure. Liability will be determined by residence in Scotland, according to Inland Revenue rules. The tax-varying power will not apply to income from savings and dividends. The Inland Revenue will administer any tax variation, with the Scottish Parliament meeting the administrative costs.

Let me now turn to the arrangements for the Scottish Parliament itself. The Scottish Parliament will consist of 129 members, 73 directly elected on a constituency basis, plus 56 additional members—seven from each of the current eight European Parliament constituencies—allocated to ensure that the overall result more directly reflects the share of votes cast for each party. Eligibility to vote will be based on residency.

In the late 1970s, there was, without doubt, a fear that a Scottish Parliament would be dominated by one point of view; the fear was that minorities, geographical or political, would be less than fairly represented. The changes in the electoral system now proposed have ended that possibility. The composition of the Parliament will fairly reflect opinion throughout Scotland.

The Government want to see people who represent the widest possible range of interests coming forward for election to the Scottish Parliament.

Hon. Members: Including Tories.

Madam Speaker: Order.

Mr. Dewar: The aim must be equal opportunities for all—women, members of ethnic minority groups and disabled people. The selection of candidates is, of course, a matter for individual political parties, but we hope that others will follow our lead in encouraging women representatives.

The Government are determined to have a Parliament building worthy of the new century and ready to provide working conditions which will encourage open and accessible government. It is for that reason that a number of possible sites in Edinburgh, including the old royal high school, are under consideration.

Subject to the passage of the Referendums (Scotland and Wales) Bill, the people of Scotland will make their historic choice in the referendum on 11 September. Theirs is the judgment that matters. I believe that they will endorse our proposals. As soon as possible following that referendum, we shall introduce the legislation to establish a Scottish Parliament. Once that legislation has been enacted, we can look forward to elections in the first half of 1999. The Government's target is for the Scottish Parliament to assume its full responsibilities in January in the year 2000. That, indeed, will be a new Parliament for a new millennium.

Now is the time for Scotland to choose. Twelve weeks ago, Labour was elected on a promise to deliver a Parliament for Scotland. This White Paper fulfils that promise. We have delivered. All the essentials are here—modernised and improved for the next century. This settlement offers an effective voice for Scotland. It recognises Scotland's distinctive identity and the strong ties that bind us together as one united kingdom. Reform and renewal will give strength to an enduring partnership.

I know—none better—the strength of feeling and the intensity of argument that there has been on this subject over the years. Constitutional change requires good will. I believe that there will be a broad welcome for our proposals, which will reach out across party lines and across the range of our communities. It is my belief that it will be so, and I commend the White Paper to the House.

Mr. Michael Ancram (Devizes): Today is a sombre day for Scotland and for the—*[Interruption.]* Oh yes, it is, oh yes, it is. What the Secretary of State has announced this afternoon, far from being a cause for junkets at Edinburgh castle tonight, is, in fact, a dangerous, damaging and dishonest document. It is dangerous because only the most blinkered devolutionist could deny that it contains elements that could lead to the break-up

[Mr. Michael Ancram]

of the United Kingdom, creating the focus for discontent and disillusion, which can only help to fan the flames of nationalism in Scotland.

The White Paper leaves relations between Scotland and the rest of the United Kingdom in a state of flux. It singularly fails to answer the central constitutional and economic questions, which, left unanswered, can lead only to grave instability and long-term constitutional turmoil. The importance of those vital questions for the long-term viability of the proposals has been belatedly conceded by the U-turn announced on the number of Scottish Members of Parliament at Westminster, which flies in the face of 20 years of Labour rhetoric.

The White Paper is damaging because it will marginalise Scotland within the United Kingdom. It will destroy the influence of Scotland in this Parliament, because her representatives will be at best part-time. It will leave the Secretary of State stripped of power, devoid of influence and politically ignored. It is a sad invitation for Scotland to abdicate her historic role in the United Kingdom.

It is damaging, too, because it will inevitably hit Scottish pockets. Powers to vary tax will be used, and it will be Scots who will pay, just as they will increasingly pay through the nose for the growing bureaucracy and costs that will inevitably accompany a Scottish Parliament. This White Paper will make sure that it costs to be Scottish.

The White Paper is dishonest because it seeks the support simultaneously of two irreconcilable political objectives. It looks, on the one hand, for support from nationalists, on the implication that it is the first step to the break-up of the United Kingdom, and, at the same time, tells those who believe in the Union that this is the only way to protect it. The proposals cannot be both unionist and nationalist—friendly at the same time. One has to be deceiving the other, and the people of Scotland are in serious danger of being misled.

May I ask the Secretary of State a few questions that arise from his statement? Can he explain why the view expressed by the present Secretary of State for Defence in January 1996 that 72 would be the right number of Scottish Members after devolution has been so lightly discarded now that the general election is over? What has changed? Where under his proposals will sovereignty lie: with the Scottish people under the terms of the Claim of Right to which the Secretary of State subscribed; with this Parliament; or with the Prime Minister as an English Member of Parliament at Westminster?

Does the Secretary of State not think that Scottish Members should be able to vote in Parliament only on matters relating to their own constituencies and constituents? How could a Minister of the Scottish Executive be allowed to speak on behalf of the United Kingdom at the European Council of Ministers when he or she would not be answerable to this House in Parliament?

The White Paper is a constitutional mess. It is a recipe for continuing constitutional turmoil and an agenda for nationalist pot stirring. The proposals are not even half-baked. It is not too late for the Government to consider the damage that will result from bad constitutional reform, not only in the short term but for generations to come. We will certainly ask the people of Scotland to look carefully into the dark, cold night that the statement and White Paper open before them and draw back before it is too late. It may be a vain hope, but rather than partying at Edinburgh castle tonight, would it not better for the Secretary of State to go home and think again?

Mr. Dewar: That was a little literary allusion at the end of the right hon. Gentleman's contribution, if I understood it. His contribution was something of a mixed bag—pot stirring and half baked were among the many culinary images—and was not a substantial attack.

Whatever it is, I think that the White Paper is honest. It does not pretend to be something that it is not, and it tries to face up fairly bravely and practically to some of the points that have been made over the years. We have not lightly discarded anything. We have looked long and hard at the problems and the advantages and opportunities. We have come up with a scheme that will be stable and enduring, and will meet the needs of Scotland. It also roots us firmly within the United Kingdom and allows us to contribute effectively to the country as a whole.

The right hon. Gentleman asked an important question about sovereignty and the Claim of Right. Let me make it very clear to him—the right hon. Gentleman has heard me do so on a number of occasions—that this is a scheme of devolved power which has life because I hope that the House will be persuaded that it is right for the governance of the country. Of course, parliamentary sovereignty remains part of that scheme. The Claim of Right, however, is important because it recognises the principle that people in Scotland, as in any other area, have the right to decide their own political future. I hold very firmly to the view that the scheme that I have presented today reflects their wishes and needs. There is a great deal of evidence to support that, but the matter will be put to the test in the referendum in the autumn. If we get that endorsement, I hope that the right hon. Gentleman will accept that it is time to act and to move forward in unity to make a good job of an important and exciting constitutional reform.

I hope that the right hon. Gentleman will not resent it—in a sense, we are discussing the Devizes question—if I say that it is rather odd that a party that cannot get a single Member elected in Scotland should pontificate so hostilely on what is clearly the wish for change among the people of Scotland. Some of the attacks implied in the right hon. Gentleman's questions seemed to suggest that he does not want a devolution scheme to be firmly based on the principle that there should be co-operation, good will and effective common purpose within the United Kingdom.

Europe is of increasing importance, and there are many areas in which Scotland will have direct interests. I, at least, have enough faith in civil servants, the Government, this Parliament and their Scottish equivalents to believe that they will work together to build a common position and then work effectively for it in the councils of Europe.

There is no question of attempting to freeload or ride on the back of anyone else. The Scottish block will become the way in which we finance, subject to the revenue-varying powers, the programmes that the people in Scotland want from their elected representatives. I believe that that is a strength, not a weakness, for the United Kingdom.

I believe that the scheme is for the good or I would not appear at this Dispatch Box to argue for it. I believe that it is an answer in part, and only in part, to the very important problem of cynicism about our political and democratic processes which every Member of the House meets daily as he or she goes about their business. It has to be seen in the wider context of constitutional reform, which means breaking away from the ties of centralisation and trusting people in the areas in which they live.

I am very proud that I and my colleagues in Scotland will be in at the start and in the vanguard of that advance.

Mr. James Wallace (Orkney and Shetland): Will the Secretary of State accept that, as a Scot, a Liberal Democrat and a partner with his party in the Constitutional Convention, I warmly welcome a substantial White Paper? Although we may have some debates at the margins about the details, and we could even have an interesting academic seminar on sovereignty, in practical political terms—the terms which will affect the everyday lives of the Scottish people—the proposals present us with an opportunity to create in Scotland a powerful and effective Parliament which will properly represent Scotland's political interests and priorities.

Will the right hon. Gentleman also acknowledge that, on the proportional representation system, clear signals can be given to many parts of Scotland which were sceptical in 1979 that the proposed Parliament will be a Parliament for the whole of Scotland and not one of one party representing one part of it?

The important principle of accountability will apply to taxation. Those who are elected to the Scottish Parliament will have proper fiscal accountability to those whom they represent.

Will the Secretary of State expand on what he had in mind when he said that Scottish Executive Ministers could on occasions speak and vote for the United Kingdom in the European Union? That is a welcome proposal.

Will the Secretary of State tell us when he intends to establish the independent committee that will examine the relationship between local government and the Scottish Parliament and Executive, and what its remit will be? Will it be able to take account of the concerns that I have previously expressed to the Secretary of State about the particular needs of islands areas?

Does the Secretary of State accept that, by opting for reserve, rather than devolved, powers and by agreeing to reduce the number of Scottish Members of Parliament at Westminster, he has embraced some of points that my colleagues and I put to the Labour party during the constitutional convention talks? Although this is an important step on the road to federalism, may we hope that, by the end of this process, we will have convinced the Government of the merits and logic of a federal solution for the whole of the United Kingdom?

Mr. Dewar: I thank the hon. Gentleman for his welcome. I put it to him gently that he pushes his luck on occasions, and I suspect that, to his credit, he knows that.

We are anxious that the Parliament should be seen as devolved power from central Government, and not as encroaching on local government. However, we should trust the people in the Parliament to act responsibly. A grown-up Parliament with grown-up responsibilities and duties should be able to make its own judgments about that relationship. We are undertaking some preliminary work and there will be an independent inquiry to examine, among other things, the relationship between the new Scottish Parliament and local government. I hope that it will come up with some useful guidance for the Parliament when it is in being.

I take the hon. Gentleman's points about a more proportional system and about the need fairly to represent everyone in Scotland. It is obviously not in the narrow self-interest of the Labour party to move down that road, so we should gain some credit for the fact that the Government have decided to do so, even from those who may disagree with it. It is a genuine attempt to ensure a balanced and proper start for a new democratic body. I think that I am entitled to make that plain.

The question of the number of Members in the Westminster Parliament is a matter of balance. The package should be considered in the round, and I think that we have got it about right. It will always be a matter of judgment. The circumstances of a Scottish Parliament are now very close, and the only people who could prevent it are the people of Scotland if apathy were to win the day, but I do not think that it will. In those changed circumstances, it was right to reconsider the matter and to reach a judgment. That is my judgment and the judgment of my colleagues, and we stand by it.

Mr. David Marshall (Glasgow, Shettleston): Does the Secretary of State agree with me that the vast majority of Scottish people will give a warm welcome to this White Paper, which they will regard as fair and just what they need and want? They will also welcome the opportunity to vote in the proposed referendum on a Scottish Parliament. Will he reaffirm the Prime Minister's pledge to campaign for a yes, yes vote and to visit Scotland as part of that campaign?

Mr. Dewar: I thank my hon. Friend for his remarks, and I appreciate his support. I suspect that the support that I shall receive from colleagues will come as a disappointment to the right hon. Member for Devizes (Mr. Ancram), but he will have to live with that.

My hon. Friend is right. The Prime Minister has enthusiastically endorsed the White Paper, and will appear in Scotland to make those views clear.

Mr. Alex Salmond (Banff and Buchan): I welcome the publication of the White Paper at last, all the more so because it has upset the Conservative party so dreadfully. As the Secretary of State can imagine, the Scottish National party will examine its contents in great detail as we consider our response over the next few days.

The European dimension is clearly very important to the debate. Will the Secretary of State specify on what areas the Scottish Parliament could lead the United Kingdom delegation? The presiding officer of the Scottish Parliament is an important person. Will the Secretary of State confirm that the Scottish Parliament will elect its presiding officer?

The Secretary of State spoke of the need to mobilise opinion in Scotland. Does he agree that, if opinion is to be mobilised, people will have to be convinced that a Scottish Parliament will be a real Parliament that will

[Mr. Alex Salmond]

make a real difference? Will the right hon. Gentleman confirm that such a Parliament could, if it wished, remove tuition fees if it considered them to be an obstacle to participation in universities and other areas of higher education?

The Secretary of State and I have disagreed on a range of subjects relating to Scotland's future, but we have agreed on how these matters should be determined. Will the right hon. Gentleman reiterate that nothing in the documents, or in any response that he will give, will interfere in any way with the sovereign right of the people of Scotland to determine their own constitutional future, whatever that may be?

Mr. Dewar: If I did try to build such barriers, they would be futile and without effect. At the end of the day, in practical politics, what matters is what people want. If the hon. Gentleman is able to carry the people of Scotland, no doubt he will be able to advance his cause. He has signally failed to do so in the past, but I know that he will keep trying, and he is entitled to do so. I believe, however, that the reform package that we have announced today, implemented with good will and spirit, will make his task that bit more difficult. No doubt we shall have further arguments in the future.

Higher education is, of course, a devolved area of responsibility. It has been the responsibility of the Scottish Office for some years, and that means that the Scottish Parliament will be able to exercise its judgment—although I stress that if it exercises its judgment in a way that costs money, it will have to find that money in its budget. No doubt Opposition Front Benchers will be pleased about that.

The hon. Gentleman asked about the presiding officer. Perhaps he remembers that, under the 1978 scheme, the Secretary of State for Scotland had an interesting role in chairing the first session while the presiding officer was selected. I do not aspire to that high office or honour, and the choice of a presiding officer will be entirely a matter for elected members.

Mr. John Home Robertson (East Lothian): Does my right hon. Friend agree that the success of decentralised government in Catalonia, Bavaria, Massachusetts and hundreds of countries around the world is ample proof that my predecessor, Andrew Fletcher of Saltoun, was right to say that there was no need for Scotland to be subsumed in an incorporating union with no Scottish Parliament? I think that it was Lord Seafield who said that it was the end of an old song when the last Scottish Parliament was wrapped up in 1707. I pay tribute to my right hon. Friend for making it possible for the people of Scotland to elect a new Parliament for the new millennium.

Mr. Dewar: I am grateful to my hon. Friend for his typical and characterful contribution. When he finally retires from this place, I shall organise a collection and present him with a bound copy of the debates of the Scottish Parliament in 1706 and 1707.

Mr. David Maclean (Penrith and The Border): Will the Secretary of State now stop dancing his little jig around the fundamental question that he has been dodging all afternoon? How can he claim—and can he tell the House, in all honesty—that the authority of Westminster will not be diminished if a Minister in a Scottish Government speaks for the United Kingdom in Brussels when that person will have no obligation whatever to answer to the House?

Mr. Dewar: I made it perfectly clear—and I am sure that the right hon. Gentleman will read what I said carefully—that European policy will remain with the United Kingdom delegation. We shall be part of that process, however, and when it is appropriate and proper we shall take the opportunity to contribute to debate.

Mr. Ancram: Who is this "we"?

Mr. Dewar: I am sorry; I made the cardinal error of assuming that I was a Scot for the moment. The right hon. Gentleman may have experienced some psychological amputation that removed him from Scotland, but I have not.

The important point is that there is a United Kingdom delegation involving a United Kingdom policy position, for which we all work and which we all try to promote.

Mr. Tam Dalyell (Linlithgow): What are the Treasury's estimates of the cost of the proposals?

Mr. Dewar: If my hon. Friend, whom I know to be assiduous, consults the White Paper, he will see that there is some help on those matters. The United Kingdom is essentially a partnership in which we pool our resources and allocate them on an agreed basis. There will indeed be some additional cost for example—for running and equipping the Parliament—but I suppose there will be additional costs for running and equipping this building. Most people here think that it is rather a good bargain for the people who have to live within the framework of Westminster legislation. I suspect that that will also be the view of Scottish people.

Mr. Edward Leigh (Gainsborough): The right hon. Gentleman asks Conservative Members what right we have to pontificate on these matters. On behalf of my English, Lincolnshire constituents, may I ask what right he will have after devolution to vote in this House to close Caistor or Gainsborough grammar schools while I will have no right, as he will have no right, to vote for the future of education in his constituency?

Mr. Dewar: The arrangements for the devolved Parliament and its terms and abilities will be decided by the votes of all this House. If the House, which is sovereign, thinks that that is right and good—and there are pressing, urgent and good reasons for it to take that view—I am surprised that the hon. Gentleman should challenge that.

Mr. Norman A. Godman (Greenock and Inverclyde): Speaking as a federalist, may I compliment my right hon. Friend on his remarkable work and his fine White Paper? He is right to remind constitutional conservatives in this place that we live in a multinational state. If the people of a constituent nation in that state seek the reform of the

governance of their nation, no one should obstruct that advance, as was so memorably said by Charles Stuart Parnell.

From time to time, disputes may arise between, say, London and Edinburgh. Would it not make good sense for my right hon. Friend to give sympathetic consideration to the creation of a constitutional court made up of four senior judges from Scotland, England, Wales and Northern Ireland?

Mr. Dewar: There have been a number of arguments for a constitutional court, and I am sure that many people will continue to support that case. If it were to come to pass, it would be for the future. I do not think that it is a short-term option. Here we have some practical solutions to any dispute resolution that is required, ending with arbitration in the judicial committee of the Privy Council. That has been carefully thought out and it will serve well for the purpose.

Mr. Richard Shepherd (Aldridge–Brownhills): Whatever this set of proposals does, it can hardly be argued that it will strengthen the United Kingdom, because surely the proposals strike at the most important principle of this country of ours—the equality of our votes. The proposals mean that the value of our vote will be different depending on where we live. Therefore, what we can expect to achieve by our vote is different. This involves a fundamental principle of democratic government for the Union, and the Labour Government are setting it aside. Many British citizens, such as I, will be outraged at the thought that my vote is diminished depending on where I live. It will now be different as to Wales, as to England and as to Scotland, and that principle will cause great difficulty for this proposal.

Mr. Dewar: I am sorry that the hon. Gentleman is outraged. I hope that I may be able to tell him to look at the matter more reasonably, even if we continue to disagree in the future. There will be no classes of parliamentarians here. [HON. MEMBERS: "Yes, there will."] No, votes will not have different values. I say again that, if the hon. Gentleman believes in the principle of parliamentary sovereignty, he will see that what we propose is perfectly fair and sensible. I want the United Kingdom to wear well. I do not accuse the hon. Gentleman, although I might have made the point to one of his predecessors, over the fact that one of the difficulties in recent times has been the insensitivity of much of the government of this country. For example, I remember in particular the poll tax as one outstanding example of that.

Mrs. Maria Fyfe (Glasgow, Maryhill): I have already welcomed the plans, and I welcome them even more when I see the annoyance of Conservative Members, who imposed the poll tax on Scotland.

May I take this opportunity to welcome my right hon. Friend's remarks about Labour's plans to achieve gender equality in the Scottish Parliament? Does he recall how that was dismissed out of hand 10 years ago as an improbable and unacceptable scheme, and now it is the prevailing orthodoxy in the Labour party? I look forward to other parties coming in behind us and realising that, in the 21st century, women will be equal, whether they like it or not.

Mr. Dewar: I hope that the women do like it.

I thank my hon. Friend for her words. I deliberately put in a passage about that matter in my statement. It is, of course, the business of political parties and not of statute, but I hope that there will be great changes in that respect, as, to be fair to the House, there were at the last election.

Mr. Eric Forth (Bromley and Chislehurst): How does the Secretary of State explain the grotesque over-representation that he proposes for the Scottish Parliament, bearing in mind the fact that, in comparison with the 129 members that he is apparently suggesting, his party proposes that a new London strategic authority should have only 24 to 30 members—and remembering that the population of London is bigger than that of Scotland? On the basis even of the historical Westminster representation, he proposes at least twice as many members as has been justified in the past. Will he give an undertaking that Governments will be able constantly to review the subventions from the English taxpayer to Scotland, bearing in mind the extravagance of the representation that he proposes?

Mr. Dewar: I hope that the right hon. Gentleman will not take it amiss if I say that that is a small point from a small mind. To be fair, if we consider the great issues that are involved in this argument, however much I disagree with some of the points that have been made, they are substantial constitutional points. It seems that his point is of little moment, but I make it clear that we want a Parliament that will scrutinise effectively the legislation that it is passing and will be much more accessible and open to the public in Scotland than Parliament has traditionally been. I hope as well that we may even, if they can gather enough votes, see a few Conservatives among its number.

Mr. John McAllion (Dundee, East): Is my right hon. Friend aware that, in the past century, no fewer than eight British Prime Ministers have at one time or another promised home rule for Scotland, without any one of them ever delivering on that promise? Therefore, like cats, British Prime Ministers are now on their ninth and last life, and they are aware of that.

I applaud and warmly welcome my right hon. Friend's statement, which at last begins to redeem the pledges to Scotland over the past century. I urge Scottish Members, wherever they sit in the House, on what is an historic day for our country, not to strike a sour note, but to come together and work together for the return of Scotland's Parliament to Scotland. At long last, our future is back in our own hands. If we fail now, it will be our own fault. Let us not fail. Let us carry the referendum and ensure that the future is Scottish.

Mr. Dewar: I know that my hon. Friend will act as he speaks, and I am grateful for that.

Mr. William Ross (East Londonderry): Is the right hon. Gentleman not remiss in not pointing out that the only party in the House that has direct practical experience of devolved government and its operation is the Ulster Unionist party? Is he aware that we know that the Scottish Parliament and the Westminster Parliament must work closely together to strengthen and to maintain the Union because, inevitably, the politics of Scotland, like the politics of Northern Ireland, will be increasingly

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nationalist and unionist? In those circumstances, is the Labour party in Scotland, which will have members in a devolved institution, going to be a unionist party?

Mr. Dewar: I respect the hon. Gentleman's views, but they are understandably coloured by his deep involvement in the politics of his part of the United Kingdom. I do not accept his basic contention. The one thing that I want to avoid, and the one thing that the reform option helps to avoid, is the polarisation of politics into two choices at the extreme. That is exactly why reform is necessary and why better government is good for us all.

Mr. Dennis Canavan (Falkirk, West): Although I warmly welcome the historic transfer of power from this House to the people of Scotland, can we take it that the principle of the sovereignty of the Scottish people means that the White Paper should not be seen as something handed down from on high on tablets of stone? I hope that the relationship between the Scottish and Westminster Parliaments will be dynamic rather than static and that the dynamics may lead to the transfer of even more power to the Scottish Parliament, if that is what the people of Scotland want.

Mr. Dewar: My hon. Friend's views are well known and all I can say is that this package is meant to be stable and enduring—I think that it will be. Of course, anyone is entitled to argue for political change at any time and in any way that they think is right. In about 1975, I gave up trying to persuade my hon. Friend that I was right and he was wrong. He is a man well known for going his own way. I am sure that, whatever he thinks, he will agree that this is a scheme of great promise, hope and potential. At least we can agree on that.

Mr. Menzies Campbell (North–East Fife): The right hon. Gentleman allowed himself a moment of sentiment when he told us how long he had campaigned for a Scottish Parliament. I remind him that I first heard him make that case in 1960, and he therefore deserves congratulations for his perseverance. Does he share my curiosity at the fact that some of those who were most vocal in their support for the declaration of Perth by the right hon. Member for Old Bexley and Sidcup (Sir E. Heath) are now so vociferous in their opposition to these proposals?

Mr. Dewar: I thank the hon. and learned Gentleman. I suppose I qualify as a long-distance runner in the political sense. I do remember those periods, and I remember our former colleagues, Malcolm Rifkind and Alick Buchanan-Smith—there is an honourable tradition.

On the record of the right hon. Member for Devizes, I would not try to deny the right of people to change their minds, but the significance of the fact that he once espoused devolution enthusiastically is that it puts a little bit of a question mark against the extreme view that he sometimes espouses now, which is that this is an unthinkable piece of chaos that could never possibly work. That was not his view in those days, and, in my opinion, it is not a credible or sensible view. I do not expect him to go back to what he once believed, but he should look at his position and his credibility in the light of the beliefs that he once held.

Mr. Ernie Ross (Dundee, West): I congratulate my right hon. Friend, his Front-Bench team and the civil servants on the speed with which they have moved to bring this proposal—one of Labour's major promises to the people of Scotland—to the House. Will my right hon. Friend join me in warning Conservative Members that the people of Scotland are watching this statement and will be listening to the comments made? Very shortly, whether it likes it or not, the Conservative party will have to compete with all the other parties in the House for places in the Scottish Parliament. Unless it changes its mind fairly rapidly, there are liable to be as many Conservatives there as there are here.

Mr. Dewar: I noticed in *The Herald* today an article by a prominent Conservative, Mr. Brian Meek, in which he made it clear that he longed for the day when there would be a Scottish Parliament. He felt that his failure to join the Scottish Constitutional Convention had been one of the great political mistakes of his life, and he warned Conservatives that association with the no, no campaign would be a great mistake. He remarked, rather pithily, that they have backed enough losers this year to be getting on with.

Mr. William Cash (Stone): The White Paper states clearly that the Scottish Parliament and Executive will be responsible for devolved functions, including home affairs. Will he accept that the issue of home affairs comes within the pillars of the Maastricht treaty? Having regard to the fact that the White Paper also says that the Scottish Executive will have an opportunity to

"participate in relevant meetings"

and

"in appropriate cases could speak for the United Kingdom",

will the Scottish Ministers be entitled to vote on those matters that fall within the devolved functions of home affairs within the third pillar? If they are not allowed to do so, will the right hon. Gentleman accept that they will be no more than puppets of the Secretary of State?

Mr. Dewar: I should be the last person to tackle the hon. Gentleman on European matters, because I might never emerge from the morass. We envisage that Scotland, the Scottish Parliament and, in particular, the Scottish Executive will be part of the process of consultation and decision making. No doubt a United Kingdom delegation will meet, and a United Kingdom line will emerge. That delegation will vote the agreed United Kingdom line. The hon. Gentleman is pursuing a total non-event with vigour—but that is the nature of the beast, I fear.

Mr. George Galloway (Glasgow, Kelvin): Notwithstanding the slightly demented braying from some of the Bourbons on the Conservative Benches, does my right hon. Friend accept that this is a great day for Scotland? Somewhere beyond the rafters, the whole host of heroes who, throughout this century, have stood and fought for home rule for Scotland—from Keir Hardie, the founder of the Scottish Labour party, through Tom

Johnston and all the way to our late, great fallen leader, John Smith—will be cheering my right hon. Friend. He has written his name into the history books by bringing forward this proposal.

On the subject of sensitivity and taxes, does my right hon. Friend accept that the greatest recruiting sergeant for the break-up of the United Kingdom has been 18 years of Thatcherite governments rammed down the throats of the people of Scotland—in no case more grotesquely than through the implementation of the poll tax, a whole year before it was implemented in England, on a people who not only never voted for it, but were never even invited to vote for it in the Tory election manifesto of 1983?

Mr. Dewar: I certainly recognise my hon. Friend's point about the experiences of recent years under another Government. I am a little nervous about my place in history as he described. I saw the other day, in a well-known Scottish newspaper, a picture that I instantly and cleverly identified as myself, under which appeared the caption, "A modern Robert the Bruce". I have to confess that I took to my bed for the rest of the day.

Mr. Jonathan Sayeed (Mid–Bedfordshire): The average size of a Greater London parliamentary constituency is 67,000 electors. That of a Glasgow seat is fewer than 52,000. The White Paper does not do anything about that anti-English bias for the next general election or the general election thereafter. I recognise that it is in the interests of the Labour party to delay change, but the right hon. Gentleman and his colleagues are now members of a Government who have a higher duty—that of fairness to all the United Kingdom, including England. Why has he not introduced plans to remedy that constitutional injustice in time for the next general election?

Mr. Dewar: The hon. Gentleman has obviously given a great deal of thought to the matter, so he will have considered the practicalities. He, as a democrat and a careful Member of the House, will want the proper processes of consultation and appeal in place. He will then see exactly what the timetable is. First, there is a requirement for primary legislation to make the proposal possible. Then, there needs to be the proper and due processes. We will follow them, but we will not unduly delay.

It is, perhaps, of some importance that the hon. Gentleman is a London Member. I congratulate him on his party's decision to endorse a London government and an elected mayor for London. Perhaps he should consider why, if that is good, it should not also be good to have an elected authority in Scotland.

Dr. Tony Wright (Cannock Chase): This has been described as a great day for Scotland. As an English Member and a Unionist, I should like to say that it is a great day for the Union, too. Scotland has had the capacity to break the Union. It would have been possible to come forward with proposals that threatened the Union. I congratulate my right hon. Friend the Secretary of State on making sure that his proposals do not threaten the Union. Will he now bend his considerable energies to trying to persuade the Conservatives that the choice is between preserving the Union with the White Paper or breaking it with them?

Mr. Dewar: I know that my hon. Friend has spent a great deal of time looking at constitutional systems, and is an expert in the matter. I value his opinion and have a great deal of sympathy with his point. Perhaps for political reasons—I know not—some Conservative Members have forced themselves into the position of defending a status quo that is clearly becoming very threadbare and indefensible, not just in Scotland, but in other parts of the country.

Mr. Malcolm Bruce (Gordon): The Secretary of State was right to point out that those who seek to defend the Union have a responsibility to explain how the demand for reform should be met. They have not done so.

The Secretary of State has come forward with proposals that, for me, as a federalist, address the need to balance the aspirations of the people of Scotland and the future of the United Kingdom. Will he take it from me that there can be no doubt left in anyone's mind that the people of Scotland will be well represented in Scotland by Members elected to the Scottish Parliament and will continue to play a major role in the United Kingdom through the Members elected to this place? Anyone who says any different has clearly not read the proposals.

Mr. Dewar: I am grateful to the hon. Gentleman for making that important point.

Miss Anne Begg (Aberdeen, South): The White Paper proposes an historic Parliament. One reason is that it will be elected by a form of proportional representation, which is of supreme importance to people in the north-east of Scotland. The people of Aberdeen will know that their voice will be heard loud and clear. Does my right hon. Friend agree that there is a supreme irony in the Conservatives being against the constitutional changes which may save the Scottish Conservative party from political oblivion?

Mr. Dewar: I am grateful to my hon. Friend. Such charitable work by the Labour party is admirable, but perhaps we should go about it quietly. She has made an important point, which I tried to hint at in my statement. We are trying to get a due and proper reflection of opinion throughout Scotland. There may be some odd beneficiaries, but if the principle is right, we should stand by it.

Mr. Stephen Day (Cheadle): I am sure that the Secretary of State will concede that the establishment of a Scottish Parliament is but part of the Government's strategy to set up regional Parliaments throughout the United Kingdom, including England. Given that that fits exactly with the blueprint of European federalists for a Europe of the regions, destroying the concept of the nation state, how can the White Paper be the salvation of the United Kingdom?

Mr. Dewar: Perhaps if the hon. Gentleman looked at the situation and opinion in Scotland, he might understand a little more about the issue. I do not say that in hostility. He is obviously not steeped in the issue, as many of my hon. Friends are. We are not going to be prescriptive on regional government. We have made it clear that we believe that there is a case for passing power to other areas of the United Kingdom, as we are doing in Scotland

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and Wales, but we would want to tailor any scheme to the needs of the area and be satisfied that there was consent and a wish for such a reform.

Mr. Thomas Graham (West Renfrewshire): I congratulate the Secretary of State on his tenacity and on the tremendous deed of introducing the White Paper today against a background of 18 years of Toryism. I have a genuine plea to make to my right hon. Friend. This is a great day for the people of Scotland, especially for the children. We fought the general election on the basis of delivering a Scottish Parliament. Today, our children have seen something in which they can take part. I suggest that 11 September should be known as Devolution Day and that all the children in Scotland should be off school so that they can help their mothers and fathers and make sure that we have a yes, yes vote. Can we give our young kids a celebratory day in which we can all take part? We can show these folk that the people of Scotland will say yes, yes.

Mr. Dewar: I am grateful to my hon. Friend, who always has something interesting to say. I hope that he will not take my remarks amiss. I agree with him entirely about the importance of the younger generation and about the importance of these proposals for the future. On 11 September, I shall be surprisingly uninterested in children, although I shall be very interested in what their parents are doing. I very much hope that, however they intend to vote, they will take the trouble to vote so that we get a fair test of public opinion on an enormously important issue for Scotland.

Mrs. Ray Michie (Argyll and Bute): May I ask the Secretary of State about something he said on radio this morning? Will he comment on the choice of the title First Minister for the Scottish Parliament? What alternatives were discarded?

I, too, warmly welcome the White Paper, which I see as a cause for celebration because it is the first concrete step to returning democracy to Scotland and to re-establishing our Scottish Parliament. I hope that the carping criticism and the doom and gloom merchants will be thoroughly routed on 11 September.

Mr. Dewar: I am grateful to the hon. Lady, who has fought hard and long in the cause and who has travelled many a long and, I suspect, weary mile with me and with others. We need, of course, to have a term that we can use in legislation and in preliminary documentation. The title First Minister seems sensible, but if other people have other ideas, we can adjust the proposal in time. I hope that no one will take it amiss if I say that the important thing is to get the show on the road. After many years of talk, that is my aim and my objective.

Mr. Ian Davidson (Glasgow, Pollok): Does the Secretary of State agree that those who threaten the Union are not those who support devolution, but those who support the status quo? The status quo is not tenable as an alternative at present. Does my right hon. Friend also agree that what we need now is a united double yes campaign? Any of those who have spoken long and loud about their support for a Scottish Parliament who do not support a double yes campaign will be found wanting by the people of Scotland.

Will my right hon. Friend please desist from trying to persuade the Tories to support our initiative? What we need to rally our supporters is Tory opposition. Nothing is more guaranteed to bring out Labour, nationalist and Liberal Democrat voters for a double yes campaign than the opposition of the Tories. I understand that the right hon. Member for Devizes (Mr. Ancram), in line with the renovation of the Tory party, is going to propose a new voting system for elections to the Scottish Parliament of one acre, one vote. I understand that his family would then control the Parliament virtually on their own.

Mr. Dewar: It is a splendid idea, and I will ensure that the Department writes a paper tomorrow. My hon. Friend wittily makes a point of some substance, but not one for which the cure is in my hands. I am very interested in maximising support and in getting people motivated to turn out for the vote. I reluctantly decided that the suggested slogan, "Yes, yes, make mine a double," although quite attractive in some parts of the Scottish community, was not entirely appropriate.

Mr. John Greenway (Ryedale): One might equally say, "Make mine a Dewar on the rocks," because the Secretary of State has failed to answer any serious question about the structure of what he has proposed. May I put another one to him? Does not what he has proposed mean that there will be no revising chamber for all the legislation that the new Parliament will pass? If so, who is going to vet and revise criminal law, notwithstanding the differences between English, Welsh and Scottish criminal law, which have existed for centuries? This House and the other place have ensured consistency of criminal law throughout the United Kingdom in recent years. What he has proposed means that that cannot be guaranteed under the new arrangement, which can only be bad for Scotland as well as for the rest of the United Kingdom.

Mr. Dewar: I think that we should agree on a moratorium on whisky jokes, particularly in the light of the name of the present leader of the Tory party. I can think of several likely runners, but I will not let them loose.

The hon. Gentleman makes a serious point. As he will know, the House of Lords as a court does not have any remit in the Scottish criminal law, but it does in the civil law of Scotland, and I would expect that to continue. I accept that there is a particular duty on the Scottish Parliament to look very seriously at its own scrutiny proposals. It is very important that we look at pre-legislative scrutiny and much wider consultation. There is a particular duty on us to get the law right, and I think that that might concentrate the mind.

I remind the hon. Gentleman that the electoral system is also important in this respect. The perhaps more accurate representation—although it will have advantages and disadvantages about which we can all argue—is relevant in considering the point about scrutiny and the fairness of the decision-making process.

Ms Rachel Squire (Dunfermline, West): I also warmly welcome the publication of the White Paper on the

Scottish Parliament, and pay tribute to the hard work that my right hon. Friend the Secretary of State, his ministerial team and the Scottish Office have put into producing it. Yet again, we have delivered one of the promises made in our election manifesto.

Does my right hon. Friend agree that the proposals have the potential of representing the most radical constitutional change since, after centuries of struggle and against fierce opposition from the Conservative party, we finally secured the right to vote for every man and woman? Does he also agree that a massive yes, yes vote on 11 September will help us to change the face of politics, give people a greater voice in the decisions that affect their everyday lives and lead to a strengthening of democracy and the United Kingdom as a whole?

Mr. Dewar: I do agree with my hon. Friend that this is a measure of great importance. I would never pretend to the House that it was a minor matter of only Scottish interest. That would be totally wrong. I also agree with her about the democratic point. The case for this change is essentially a democratic one—whether or not it is accepted by the people. It is about democracy and the involvement of people in the process of government.

I say with no great animus, but just as a matter of historical observation, that, if we go back through the 20th century into the 19th century, it is fair to say that the Conservative party has opposed almost every important constitutional reform ever proposed—although, to its credit, within a few years, it claims the reforms as part of the warp and woof of the British constitution, which it would die in the ditch to preserve.

Mr. Peter Luff (Mid–Worcestershire): Does the Secretary of State accept that the enduring success or otherwise of the proposals that he has put before the House will depend as much on the active support and enthusiasm of the English, Welsh and Northern Irish people as the Scottish people? What, therefore, can I say to my constituents, given that, although a Scottish Member of Parliament—Scotland will remain grossly over-represented in this place for many years to come—will have direct influence over the affairs of Worcestershire and England, that self-same Scottish Member of Parliament and I will have no influence whatever over exactly the same issues north of the border?

Mr. Dewar: The Scottish Parliament will not be here until 2000, so we will not have an immediate change in that respect. When the Scottish Parliament is up, there will be a balanced and fairer package that will involve the other changes that I have mentioned. I may have got the hon. Gentleman wrong, but I suspect that he is one of the Members who on occasion, as the hours have ticked into the morning, have suggested to me that it is unfortunate that they are stuck in the House voting on Scottish legislation. We will at least be saving him from that.

Mr. Eric Clarke (Midlothian): As a former miners' leader and a trade union member for many years, may I thank my right hon. Friend for the White Paper on behalf of the trade union movement? We have fought long and hard for many years to get devolution on the statute book to ensure that the people of Scotland have a proper say. Does my right hon. Friend agree that the White Paper will lead to the strengthening, not the weakening, of the Union? I remember that, historically, those people over there on the Conservative Benches fought against the emancipation of women for many years. I wonder how many times they have to be wrong before they are ever right.

Mr. Dewar: I welcome what my hon. Friend has said, and I am grateful to him. I am conscious of the contribution that many of my colleagues in the trade union movement have made to this debate over the years. Indeed, some of his colleagues in the National Union of Mineworkers—Mick McGahey, George Bolton and many others—have argued the case long and hard. Fortunately, they were not alone, and we now have a real prospect of progress.

Mrs. Eleanor Laing (Epping Forest): Is the Secretary of State aware that British people who have lived outside Britain for less than 20 years had the right to vote in the recent general election? Given that that was the basis on which his party won a number of seats, why will the Secretary of State not give a right to vote in the referendum to Scottish people who happen to have lived outside Scotland for less than 20 years? Why is he afraid to consult all Scottish people about his proposals for a Scottish Parliament?

Mr. Dewar: The number excluded would be very small. We went for a residency test, which will be familiar to the hon. Lady, and that was right. We have taken the register that will give the biggest, all-encompassing electorate. I do not know whether she is a Scot—

Mrs. Laing *indicated assent.*

Mr. Dewar: I do not know anything about her, but I have so many old friends missing these days from the Conservative Benches that I wander lonely in the corridors. The residency test is sensible and straightforward, and will provide the largest electorate available in Scotland. It will include some peers whom she may know, and that will be nice. Before the right hon. Member for Devizes (Mr. Ancram) gets too excited, I am told that only 123 peers are entitled to vote, and I will stand the risk.

Mrs. Rosemary McKenna (Cumbernauld and Kilsyth): May I join in the congratulations to my right hon. Friend on the publication of a document that has been long awaited? We are on the threshold of the most exciting change in the constitution of this country for at least 300 years. I also thank him for the hour and a quarter's entertainment that we have had this afternoon, because I think that everyone has enjoyed it. Does he agree that thanks are due to the Constitutional Convention, of which I have been a member since the beginning, as have many other hon. Members?

Conservative Members perhaps do not understand that what is on offer is a modern Parliament appropriate to the next century, and that the nature of politics in this country will be changed completely. They will have much to learn from the new Parliament.

Mr. Dewar: I am grateful to my hon. Friend, who has worked hard on the project for a long time. I recognise

[Mr. Dewar]

that it is a big project and no one can give a guarantee on delivery. I believe that the Parliament will make a contribution and that it will be a success. I hope that we will have good will and support. I am greatly encouraged—I say this in no false sense—that we have heard statements from the Scottish Conservative party that, if the Parliament is set up, it will contest seats and contribute to its working. That is an important point, and I welcome it.

Mr. Donald Gorrie (Edinburgh, West): I congratulate the Secretary of State on producing a White Paper that will produce a Parliament for which we can campaign whole-heartedly and together, as the hon. Member for Dundee, East (Mr. McAllion) said. I also congratulate the Conservatives on their consistency. They continue to show exactly the same attitude that caused them to lose every seat in Scotland.

Mr. Luff: We got more votes than you did.

Mr. Gorrie: The Conservatives contested those seats under an electoral system that they supported. It killed them off and they are now complaining. They have showed the flattest learning curve in history.

May I ask the Secretary of State for some clarification on local government? Will the Scottish Parliament be able to alter the voting system for Scottish local government to make it more sensible? Will it be able to alter the financial arrangements so that, for example, local authority self-financed expenditure may be treated as outside the control total, which is the more sensible system that obtains in continental Europe?

Mr. Dewar: The hon. Gentleman must recognise that local government is a devolved responsibility and, therefore, the Parliament will be able to consider the organisation of local government finance in Scotland. I do not, however, hold out the hope that it will be able unilaterally to change its relationship with the United Kingdom Treasury. That would be a startling innovation, and one which I could not endorse.

Dr. Liam Fox (Woodspring): It cannot be long before the Liberal Democrats are sued under the Trade Descriptions Act for calling themselves an Opposition party. The Labour party has had 18 years to get the details of the arrangement right and the Secretary of State must not dismiss the hon. Member for Falkirk, West (Mr. Canavan). The right hon. Gentleman says that the relationship between Parliament and this place will be dynamic: we say that it will be unstable.

The Secretary of State for Scotland will be the messenger boy for the Parliament in Edinburgh. He will pick up the shopping list of the Scottish Parliament and bring it down to his Cabinet colleagues in London to ask for the money to take back, although he will have no say over how it is spent. When the money runs out, the Secretary of State and the Westminster Parliament will be blamed, not the Scottish Parliament. That is a recipe for instability.

We have heard nothing from Labour and Liberal Democrat Members who were elected on 1 May on the issues of health, education and housing. They said that those were the most important issues because they had been done to death by 20 years of wicked Tory government. *[Interruption.]* They cheer now, but those are the very powers that they propose to give to a separate Scottish Parliament. What will they do here? Will they follow the powers back to a Scottish Parliament? Or will they remain here, debating issues that, before 1 May, they said were of secondary importance? If that happens, there will be an air of hypocrisy hanging around the Chamber.

Not much has been said about the costs detailed in the White Paper, in that the Scottish Parliament will have the right to raise not only council tax but business rates. When it raises income tax, or its "guaranteed amount", as the White Paper calls it, Ministers may smile, because there is only one group that is guaranteed on a residency basis not to pay that tax—Ministers legally deemed to live in London. It is fine for everyone else in Scotland to pay the tax, but not for Ministers.

The Scottish people will get a bill for a Parliament not yet designed, on a site not yet designated, to deal with issues that their Members of Parliament already deal with; and it is all to provide them with the one thing that I would have thought no one in this day and age wanted: more politicians and bureaucrats.

As the Secretary of State confirmed, members of the Scottish Executive will be able to speak for the United Kingdom, although they are not answerable to the House.

Mr. Dewar *indicated dissent*

Dr. Fox: The right hon. Gentleman shakes his head, but his exact words were:

> "Ministers in the Scottish Executive will have an opportunity to participate in relevant meetings of the Council of Ministers and in appropriate cases could speak for the United Kingdom."

That is profoundly undemocratic. Moreover, does it not fulfil Labour's other agenda—a Europe of the regions by stealth, and the destruction of the nation state?

Above all, the Secretary of State could not answer the question he was asked several times. There is no point in the right hon. Gentleman's looking across the Chamber at his alternative colleagues in government on the Liberal Democrat Benches. He must answer the question, and I shall give him one more opportunity. Why, after devolution, should Scottish Members of Parliament be able to vote on issues that affect England and Wales, when neither they themselves nor English and Welsh Members of Parliament can vote on Scottish issues? Does that not make a mockery of a Union Parliament?

The Prime Minister promised us a Bill; we got a brochure. The whole thing is a complete shambles. If this is the Government's flagship legislation, we shudder to think what the rest will be like.

Mr. Dewar: It occurs to me that the hon. Gentleman was unwise to talk about the Trade Descriptions Act; after all, he describes himself as a Scottish Opposition spokesman. What he said was not so much a question as a rant, and he should go away and read the scheme rather more carefully. For example, he said that the Scottish Parliament would raise the council tax. But council tax is under the control of local government. If he sees that as a terrible conspiracy, he must lead a very frightened life.

The only question that the hon. Gentleman asked that seemed of much relevance was the one about Scottish Members' right to continue to vote in the House. I have

already told him, and I hope that he accepts what I say, that, if the House is sovereign, and decides to order its business, because it believes that that will increase the democratic content of British politics, by devolving some of its powers to a Scottish Parliament, that is perfectly legitimate and constitutionally proper.

I repeat that that needs to be seen in the context of a balanced package, which I believe will be widely accepted. *[Interruption.]* I know that the hon. Gentleman does not accept that, but it is my belief. We shall have to continue the argument on another occasion, when I hope that he will be better prepared.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael Lord): Order. That was a very—

Mr. Dennis Canavan (Falkirk, West): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Points of order will come after the second statement.

The statement by the Secretary of State for Scotland was very important, and we rightly spent a considerable time on it. We must now move on to the business statement.

Business of the House

4.53 pm

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): Madam Speaker, I would like to make a statement about the Business for next week.

MONDAY 28 JULY—Progress on remaining stages of the Finance Bill.

TUESDAY 29 JULY—Completion of remaining stages of the Finance Bill.

WEDNESDAY 30 JULY—Until 2 pm, there will be debates on the motion for the Adjournment of the House, the first of which is the three-hour general debate that precedes a recess.

Supplemental allocation of time motion relating to the Referendums (Scotland and Wales) Bill.

Consideration of any Lords amendments which may be received to the Referendums (Scotland and Wales) Bill.

THURSDAY 31 JULY—Debate on the White Paper "Scotland's Parliament", on a motion for the Adjournment of the House.

The House may also be asked to consider any Lords messages which may be received.

Subject to the progress of business, it will be proposed that the House should rise for the summer Adjournment on Thursday 31 July until Monday 27 October. The provisional business for the first week back after the summer Adjournment will be as follows:

MONDAY 27 OCTOBER and TUESDAY 28 OCTOBER—Debate on British defence policy on a motion for the Adjournment of the House.

WEDNESDAY 29 OCTOBER—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Second Reading of the Wireless Telegraphy Bill *[Lords]*.

Consideration of any Lords amendments which may be received to the Local Government Finance (Supplementary Credit Approvals) Bill.

THURSDAY 30 OCTOBER—Second Reading of the Special Immigration Appeals Commission Bill *[Lords]*.

FRIDAY 31 OCTOBER—The House will not be sitting.

The House will be aware that the Minister without Portfolio has already made it clear that he will answer questions in the House on his specific responsibilities within Government for the millennium experience at Greenwich. In order to facilitate that commitment, it is intended that after the summer recess he will have a short regular place on the rota, to answer questions on the millennium experience at the end of questions to the Secretary of State for Culture, Media and Sport. That will ensure that there will be a regular opportunity to put questions on that specific topic.

May I also, Mr. Deputy Speaker, say a word about the statement made in the House yesterday? I understand that copies of Sir Ron Dearing's report were not immediately available in the Vote Office when the Secretary of State for Education and Employment made his statement. My right hon. Friend had ensured that copies of the 54-page summary of the report were available to Members, and that copies of the full report were placed in the Library.

[Mrs. Ann Taylor]

In addition, a pamphlet summarising the main recommendations and the Government's plans for the future was sent to all hon. Members.

However, given the huge interest in the matter, copies of the full report were placed in the Vote Office shortly after the end of the statement. I think that those should have been available from the beginning of the statement, and I regret any inconvenience caused to Members.

Mrs. Gillian Shephard (South–West Norfolk): I thank the right hon. Lady for her statement. She could not better have illustrated her Government's disdain for the parliamentary process, nor their inability to manage their own legislative programme, than by her breathtaking announcement that she plans to keep the House in recess until the end of October—simply, I assume, because she and her colleagues are too incompetent to organise their own business.

It is curious that the right hon. Lady has combined that announcement with the fact that, between now and the end of the Session, she intends to introduce the third guillotine in eight weeks. I hope that she will be able to explain to the House the consequences of that particular incompetence for the rest of the parliamentary year.

However, I am sure that we are all delighted to know that the Minister without Portfolio will be explaining his plans for the dome. That is indeed something to which we will all look forward. Perhaps we could even come back early for the pleasure.

Sadly, last week I had to remind the right hon. Lady of her responsibilities to the whole House. It is now clear that the Government's spin doctor machine operates entirely independently of her. Even if she wished to involve the House in announcements and in changes in policy, and to protect its interests and those of all hon. Members, it is clear that she has not the power to do so.

Nevertheless, will the Leader of the House belatedly arrange for a debate next week on the new Cabinet consultative committee to be chaired by the Prime Minister and to include Liberal Democrat Members, the establishment of which was announced on Tuesday to the press but not to this House? Will she ensure that such a debate addresses the concerns of the right hon. Member for Chesterfield (Mr. Benn)—who is in his place—who correctly pointed out that such an arrangement should be announced to the House so that its implications can be examined?

In particular, does membership of such a committee mean that the Liberal Democrats can continue to enjoy the rights of Opposition parties? Can a Liberal Democrat spokesman ask questions with knowledge acquired from the Government that he cannot disclose to the House?

Will the Leader of the House confirm that, according to his reply yesterday to the right hon. Member for Chesterfield, the Prime Minister's criterion for policy change is:

"I say that if it is the right thing to do, why not do it?"—[*Official Report*, 23 July 1997; Vol. 298, c. 943.]

Will she explain how such an attitude accords with parliamentary democracy?

Can we have an early debate on the Dearing report? Would the Leader of the House point out to the House the reference in her party's manifesto which lays out the Government's intention—using the Secretary of State's own costings—to charge all higher education students £10,000 for their university education? Will she explain how such an intention accords with the sentiment in her party's manifesto—to make higher education more accessible for all students?

Can we have a debate next week on the Government's plans to introduce a national minimum wage? Will the Leader of the House confirm that the President of the Board of Trade intends to propose legislation before advice on the level of the wage is received from the Low Pay Commission—despite promises to the contrary in Labour's manifesto, its business manifesto, its small business document, its industry policy paper and countless statements from Labour Members, including the Prime Minister?

When can we expect the Foreign Secretary to come to the House to make a statement on the outcome of the review of defence exports and, in particular, on whether sales of jets to Indonesia continue?

Finally, when does the Leader of the House intend to publish the report of the Select Committee on the Modernisation of the House of Commons?

Mrs. Taylor: The right hon. Member for South–West Norfolk (Mrs. Shephard) asked first about the length of the recess, and she will not be surprised to learn that I have checked what has happened in previous years. The length of the recess on this occasion is no different from the length of the first summer recess after the 1992 general election, which her party won. It is not an unusual length of recess. We have done a remarkable amount in the first three months of this Parliament—perhaps more than has been done before in such a period. We have introduced 18 Bills and we expect six Bills to receive Royal Assent before the summer recess. We have also published White Papers and made statements in the House on four separate issues.

A lot has been achieved, but I make no secret of the fact that, following a change of Government, there is not the usual length of time to draft new legislation. There is still a long way to go in terms of the drafting work which would normally take place on an on-going basis but, in this instance, could not start until May of this year. I make no promises about the length of the recess on other occasions.

My right hon. Friend the Prime Minister dealt with the issue of the Cabinet committee yesterday, and said that the membership of it—once decided—would be announced to the House. I should remind the right hon. Member for South–West Norfolk that on the very same day that the Cabinet committee was announced, the Liberal Democrats—not the Conservative party—opposed us in the lobbies on the Social Security Bill. We should not draw too many implications from the creation of the committee.

The right hon. Member for South–West Norfolk referred to the Dearing report, published yesterday, which she called for when she was the Secretary of State for Education. We have been interested in the amount of support that we have received from Conservative Members—particularly those who were Education Ministers. There is a case for debating that report, but I am not sure whether we can find time for such a debate when we come back. The Select Committee on Education

and Employment—or the Conservative party—may decide to make inquiries and call for a debate on the matter.

I can confirm that the level of the minimum wage will not be set before advice from the Low Pay Commission has been received. The right hon. Member for South–West Norfolk's question on defence and other matters can be dealt with in the two-day defence debate that we will have in October when we return.

The right hon. Member for South–West Norfolk's final question was on the Modernisation Committee. I can confirm that the first reports of the Committee will be published next Tuesday. If I might change the mood of our exchanges today, I must say that we have had a good working Committee and we have received co-operation from Members on both sides of the Committee.

Mrs. Shephard *indicated assent.*

Mrs. Taylor: That is why we have been able to produce a report which I hope the House will welcome when it is published on Tuesday.

Mr. David Winnick (Walsall, North): Unlike Tory Members, I have often complained about the length of the summer recess. Perhaps this matter could be looked at by the Modernisation Committee so that, in future, we do not break up for three months and come back for just a few weeks before Christmas.

It has been reported widely today that the Home Secretary is to set up a commission of inquiry into the case of Stephen Lawrence, who was stabbed to death. I welcome that decision. Can we have a statement from the Home Secretary on Monday, giving the terms of reference of the commission? It is essential that justice is done in this case, in which a person was put to death for no other reason than the colour of his skin.

Mrs. Taylor: I know that my hon. Friend has been consistent in his view about the recess. The rest of the parliamentary Session following our return in October will be extremely busy, and that is why I make no promises about future recesses.

As for to the murder of Stephen Lawrence, the Home Secretary is considering how to address the matter, and the House will be informed of his conclusions in due course.

Mr. Don Foster (Bath): I am grateful to the Leader of the House for giving the details of the publication of the report by the Modernisation Committee. When are the report's recommendations likely to be debated in the House? She has recognised that there will be a heavy legislative work load immediately after the recess. Will she assure us that there will be proper timetabling of legislation to be considered? Will she also assure us that, before the recess, we will have an indication of the timetabling of questions to Ministers? Finally, in view of the statement by the shadow Leader of the House, can we have an urgent debate on the length of the shadow Leader of the House's questions?

Mrs. Taylor: I think not on the last point. I do not want to go into too much detail in advance of the publication of the Modernisation Committee's report, but we have taken our task seriously and come up with what we think are positive working proposals to improve the legislative process in this House. I hope that the House as a whole will agree to act on our representations, which will be for the benefit of the House. We hope to make progress as soon as possible.

Helen Jackson (Sheffield, Hillsborough): As one of our firm commitments at the election was to ensure full disclosure of donations to all political parties, and as Lord Nolan has said that his committee does not have the time at the moment to discuss this matter, what thought has my right hon. Friend given to how the Government can help the Conservative party's members along the path towards agreeing among themselves to make full public disclosure of party donations?

Mrs. Taylor: Far be it from me to advise the Conservative party on its internal workings, but I welcome the outbreak of glasnost from the Leader of the Opposition, belated and limited though it may be. I cannot promise a debate on the matter in the near future, but there will be opportunities to debate the funding of political parties, because we still intend to introduce measures on the subject.

Mr. Ian Bruce (South Dorset): What will be the terms of reference for the debate on Scottish devolution and the White Paper? It is extremely difficult for hon. Members to ask questions of the Scottish Office or anyone else about the amount given in the Scottish block grant from the Barnett formula. The Leader of the House will know that, in setting up that formula, his noble Friend Lord Barnett was trying to deal with what the then Government said—and the last Government agreed—was a democratic deficit.

If that deficit is being reversed for England, we should have a full debate about the Barnett formula. I seek an assurance that we can have not only a debate but a vote, so that English Members of Parliament, whether Government or Opposition Members, can justify giving Scotland both an independent Parliament and 25 per cent. extra for local government, health and other matters.

Mrs. Taylor: I do not know whether the hon. Gentleman was giving a trailer of the speech that he hopes to make next Thursday, should he be fortunate enough to catch Madam Speaker's eye. I want to take issue with him on one point: he said that it was difficult to ask questions of my right hon. Friend the Secretary of State for Scotland; not only is it easy, because he often makes himself available, but he gives extremely good-quality answers.

Mr. Christopher Leslie (Shipley): Has my right hon. Friend read the recent reports that the director general of the Royal Opera house is in receipt of a rather handsome £10,000-per-month salary, made worse by the fact that he is no longer working at the opera house, which is closed? Are there any plans for a statement? Right now, it seems that only the fat cats are singing on the matter.

Mrs. Taylor: My hon. Friend raises an issue that has caused considerable concern. I understand that the payments are in line with Sir Jeremy Isaacs's contract; those arrangements were agreed when the previous

[Mrs. Taylor]

Government were in office, and the situation is clearly unsatisfactory. I understand that the basis of the contract is to be changed.

Mr. Christopher Chope (Christchurch): Will there be an oral statement by the Deputy Prime Minister on Monday about the outcome of the accelerated roads programme review? Is the Leader of the House aware that, last Monday, Madam Speaker expressed grave disquiet at the way in which the House was being bypassed by the Government in making important announcements?

Yesterday, at the Local Government Association conference in Manchester, the Deputy Prime Minister was asked in an open forum about the outcome of the M25 review, and he said that he could not answer because he had to tell the House first. By yesterday evening, the headline on the television news was his announcement that the M66 around Manchester was to be completed, and it is clear from today's newspapers that he has already made substantial announcements about the outcome of that review. Does that not show that the Deputy Prime Minister has a cynical disregard for Madam Speaker's rulings? What does the Leader of the House intend to do to protect the interests of all hon. Members?

Mrs. Taylor: The hon. Gentleman is misleading—[HON. MEMBERS: "Oh."]—I am sorry, I meant to say that he was inadvertently misleading the House in his interpretation of Madam Speaker's comments. Her criticisms were not on the basis that he suggested. I have spoken to my right hon. Friend the Deputy Prime Minister about the matter, and he shares my concern about the amount of speculation. The reports in the press seem to contradict one another, and that in itself suggests that the story is not the result of deliberate leaking. My right hon. Friend will make his decisions known to the House.

Mr. David Drew (Stroud): Will my right hon. Friend find time for a debate on bus re-regulation? I am sure that she was horrified to hear last week of the massive hike in profits of Stagecoach plc that has been almost entirely brought about by worsening conditions and wages for the work force in my constituency, and by a further deterioration in bus services.

Mrs. Taylor: My hon. Friend makes his point well, and I am sure that his constituents share his concerns. I will bring those concerns to the attention of my hon. Friend the Minister of Transport, but I cannot promise an early debate.

Rev. Martin Smyth (Belfast, South): I am happy to note that the Northern Ireland Select Committee is at least on the Order Paper, but will there be time for the Committee to meet, select a Chairman and plan its business, or will it have to wait until we come back in October? Why is the gestation period for the Northern Ireland Grand Committee so much longer than that of the other Grand Committees, which are already in session?

Mrs. Taylor: The hon. Gentleman knows something of the history of the discussions. We are glad that we have reached agreement on the composition of the Select Committee, and that could be implemented early next week, which, at least in theory, and we hope in practice, would enable the Committee to meet next week.

Mr. Bill O'Brien (Normanton): Will my right hon. Friend allow time in the near future—next week, if possible—for a debate on energy and an energy programme? A substantial number of hon. Members have concerns and anxieties about the unfair charging for fuels for generating electricity. Is she aware that next Monday there is to be a lobby of people who are employed in the mining industry, asking for fairness and justice in the pricing of fuels for generating energy? Many reports are available that can explain the unfairness that obtains at present. Will my right hon. Friend take note of the concerns and find time for a discussion?

Mrs. Taylor: My hon. Friend has raised the matter before, so I know his concerns. He may be able to air the subject in Trade and Industry Questions on Thursday or in the Adjournment debate on Wednesday, but I am afraid that the Government cannot find time for the early debate that he wants.

Mr. Michael Moore (Tweeddale, Ettrick and Lauderdale): Claridge Mills, a textile manufacturer in my constituency, went into liquidation this week, with the loss of 50 jobs, which is obviously a devastating blow to the employees and their families and to the people of Selkirk, where the company was based. Will the Leader of the House make time available for a debate on the issues surrounding the company's collapse, so that we can seek assurances from Scottish Office Ministers that they will work with Borders Enterprise, Borders council and the other relevant agencies, such as the Benefits Agency, to ensure that the problems in Selkirk are alleviated as soon as possible?

Mrs. Taylor: I am sure that Scottish Office Ministers will hope, and be willing, to help as far as possible. I do not think that I can find time for a debate, but the hon. Gentleman may be able to raise the matter on Wednesday morning, in the open three-hour Adjournment debate.

Mr. Tom Levitt (High Peak): I for one am looking forward to spending October working hard in my constituency. Let no observer leave this debate thinking that my right hon. Friend has granted us additional holidays.

My right hon. Friend will be aware that beef farmers in High Peak, as elsewhere, still have many concerns about the impact of BSE on their livelihood and their industry, whether about levels of consumption of home-grown or imported material, about standards of hygiene in abattoirs or about the disposal of fallen stock. A statement of reassurance is needed. Will she invite my right hon. Friend the Minister of Agriculture to make a statement on his discussions in the European Community, which by all accounts have been so successful?

Mrs. Taylor: First, I thank my hon. Friend for mentioning the work that hon. Members do in the recess. People who think that the recesses are an open holiday are far from knowing the real situation. On BSE, the House should welcome the achievements of my right hon. Friend the Minister of Agriculture, Fisheries and Food.

The way in which he went about those negotiations in Europe recently was far more productive than anything that we saw from the previous Government, and it is a good sign for the future.

Mr. Tim Collins (Westmorland and Lonsdale): Will the Leader of the House find time for a statement and debate on the operation of the office costs allowance, given that the creation of a Scottish Parliament would mean that Scottish Members of this House would shuffle off about 80 per cent. of their constituency case load elsewhere, so I am sure that there will have to be a statement on appropriate cuts in their allowance?

Mrs. Taylor: No, Sir.

Mr. Dale Campbell-Savours (Workington): May I gently press my right hon. Friend, for the third time I think, on the need for a debate on Nirex and the future of radioactive waste disposal in the United Kingdom? I wonder whether she is in a position to give an assurance that, before any decisions are taken on the future of Nirex, there will be a full debate in Parliament.

Mrs. Taylor: I am not sure about a full debate in Parliament, but there will certainly be opportunities for hon. Members to make their ideas, concerns and opinions heard by my right hon. Friend the Secretary of State. My hon. Friend, who is very experienced, will, I think, find many opportunities to raise that issue.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): Following on from the right hon. Lady's remarks about the non-availability of the Dearing report in the Vote Office yesterday, is she aware that the part of the report that deals with Scotland is published as a separate volume? Not only was that volume not available yesterday, but it is still not available today, and the Vote Office did not know this morning of its existence. Given that fact and the fact that the arrangements for higher education in Scotland are different, would it not be appropriate to have an early debate on the effects of the Dearing proposals on Scotland?

Mrs. Taylor: I understand from my right hon. Friend the Secretary of State for Education and Employment that that is a separate report, and was not necessarily totally a part of what was being discussed yesterday. All the relevant material should have been available, however. If it was not, I apologise. I said earlier that it was wrong that the full report was not available straight away—having the reports in the Library is not sufficient. I have brought that matter to the attention of my colleagues, because I do not think that that should happen.

Mr. John Austin (Erith and Thamesmead): May I draw my right hon. Friend's attention to a report published today by the health service trade union, MSF—the Manufacturing Science Finance Union—based on statistics drawn from the Department of Health census of the non-medical work force, which show that 40 per cent. of NHS employers have failed for the third year running to produce a return for the Department on the ethnic composition of their work force? In view of her commitment to equal opportunities—unlike the Conservative party—will she find time for the Secretary of State for Health to come to the House to say whether the performance bonus of chief executives of failing trusts and authorities will be reviewed in view of their failure to perform?

Mrs. Taylor: I cannot promise a statement or a debate, but I assure my hon. Friend that I will bring his remarks and concerns to the attention of my right hon. Friend the Secretary of State for Health, who I am sure will be somewhat worried about the information that my hon. Friend has given us.

Mr. Eric Forth (Bromley and Chislehurst): Will the right hon. Lady arrange an urgent debate so that we can hear the truth behind the apparently shady deal between her right hon. Friends in the Government and certain elements of the Liberal Democrat party? If it is true, it will surely have profound parliamentary and constitutional implications in ways that many of us cannot yet foresee. Surely the right hon. Lady must accept that that matter has such implications for Parliament—for example, where the Liberal Democrats should sit; if they are in bed with the Government, surely they should be on the Government Benches—as will all the matters which will flow from it and which are, as yet, completely unconsidered. Will she please give that some urgent thought?

Mrs. Taylor: The right hon. Gentleman managed to say that with a straight face, but I am not sure that it is a serious point. I mentioned earlier that, on the very day that that agreement was announced, the Liberal Democrats—not the Conservative party—voted against the Government at 10 o'clock on the Social Security Bill. Perhaps I could remind the right hon. Gentleman that we were grateful for what he said about welcoming the Dearing report yesterday.

Ann Clwyd (Cynon Valley): May I draw the attention of my right hon. Friend to early-day motion 201, which has 130 signatures and argues against arms sales to Indonesia?

[*That this House believes that human rights should be at the forefront of decisions on arms exports; notes the appalling human rights record of the Indonesian Government; further notes that Indonesia has illegally occupied East Timor since 1975 in contravention of United Nations resolutions; further notes that United Kingdom made military, security and police equipment has been used by the Indonesian authorities, in breach of assurances given by them, against civilians in Indonesia and East Timor; believes that any further equipment exported is likely to be similarly used; and calls upon Her Majesty's Government to stop the export of all military, police and security equipment to Indonesia, and to withdraw the invitations approved by the Conservative Government last year to the Commander in Chief of the Indonesian Armed Forces, and the Army and Navy Chiefs of Staff, to visit the Royal Naval and British Army Equipment Exhibition in Farnborough in September.*]

Does she know that the Nobel peace prize winner, José Ramos Horta, the campaigner for East Timor, last week addressed the parliamentary human rights group in the House? He drew attention to the fact that things are worse than ever in East Timor—as bad as they were in 1975—and that torture, imprisonment and violence are endemic

[Ann Clwyd]

in that country. He asked for a freeze on arms sales to Indonesia. In view of the rumours in the press about the imminent sale of Hawk aircraft and in view of the Government's commitment to human rights, may we have a statement on that important issue before the House rises? It would be regrettable if a statement were made and a decision taken to sell the Hawk aircraft while the House was in recess.

Mrs. Taylor: My hon. Friend has a long interest in that matter. As she said, the reports in the press are rumours. My right hon. Friend the Prime Minister dealt with that question yesterday and made it clear that any decision to revoke licences issued by the previous Government would have to be announced to the House. The matter is still under review, in terms of the new criteria that we have laid down, and the House will be informed in due course.

Mr. Tony Baldry (Banbury): Given that the House will be away for 12 weeks, will the Leader of the House give thought to extending Prime Minister's Question Time next week, to enable us to put to the Prime Minister a number of issues that remain unresolved? One is the question of the sale of armaments to Indonesia.

Another is that it has only just come to light that a letter from the President of the Commission to the Spanish Foreign Minister makes it clear that the United Kingdom Government never sought any changes or derogations to the treaty in relation to quota hoppers at Amsterdam, but simply clarification of existing European Union law. How on earth that can be seen to be the great triumph that the Minister sought to present it as after he returned from Amsterdam, it is difficult to follow. Perhaps we could have an extended Prime Minister's questions, next Wednesday—a bumper bonanza, sorting out all those issues before the House rises for the recess.

Mrs. Taylor: Given the performance of the previous Administration and their abject failure in Europe on all those issues in Europe, I am surprised that the hon. Gentleman has had the cheek to ask that question, although it allows me to remind the House of the achievements of my right hon. Friend the Minister of Agriculture only this week. The hon. Gentleman asked for a change in the format of Prime Minister's questions—he wanted them lengthened because there is to be a long recess. As I pointed out, we have had equally long recesses before, with no consequential changes to Prime Minister's questions.

Mr. Jeremy Corbyn (Islington, North): Will the Leader of the House make arrangements for the Secretary of State for Trade and Industry to make a statement next week on the Government's attitude towards oil exploration on the Atlantic shelf and the environmental destruction occasioned by oil exploration and pollution in the seas? That is a matter of great concern. There is obvious concern that decisions may be taken during the recess, which will have far-reaching implications for the pollution of the Atlantic.

Mrs. Taylor: My hon. Friend is another experienced Member. I am sure that he will find ways to raise that issue, not least because it is Environment questions on Tuesday and Trade and Industry questions on Thursday. I am afraid that I cannot promise a debate.

Mr. John Butterfill (Bournemouth, West): Will the right hon. Lady find time for an early debate on the need to defend the mutual financial institutions of this country? I am sure that she will be aware of the greedy and avaricious band of predators, led by the inappropriately named Mr. Hardern. I hope that she will be able to give the House an opportunity to discuss measures by which those activities could be curtailed. I think that she will join me in congratulating members of the Nationwide building society for showing that common sense and altruism are not entirely dead in the United Kingdom.

The right hon. Lady will be aware that Mr. Hardern has said that he proposes to move on to every other mutual building society and that when he has finished with them he will move on to friendly societies and credit unions. Is it not time that something was done?

Mrs. Taylor: The hon. Gentleman may have alarmed the right hon. Member for Bromley and Chislehurst (Mr. Forth), who gets worried when there is agreement across the Chamber. I welcome the hon. Gentleman's remarks. He will have noted the comments of the Prime Minister yesterday welcoming the result of the Nationwide ballot.

Mr. John Heppell (Nottingham, East): Will the Leader of the House find time for a debate on legal aid? When a Danish bank sues Scandinavian ex-employees about property deals in Spain and Gibraltar and the British taxpayer ends up paying a £10 million bill for it, there is obviously something very wrong with the system.

Mrs. Taylor: Legal aid generally, and particularly legal aid for foreign nationals, is another issue on which there may be agreement across the Chamber. The House knows that the Lord Chancellor has appointed Sir Peter Middleton to review civil justice, including legal aid. We must await the outcome of that inquiry.

Mr. Andrew Tyrie (Chichester): May we have a full debate before the recess on the massive increase in Britain's contributions to the European Community budget? Gross contributions have risen 32 per cent., to about £8.6 billion. There was some sort of debate on the matter in European Standing Committee B yesterday, but no substantive answers were forthcoming from the Economic Secretary. She was unable to tell us what effect the changes would have on the PSBR or why there appears to have been a 78 per cent. reduction in the money allocated in the budget for fraud.

The documents were in an appallingly shoddy state, and the hon. Lady had to begin her comments by correcting many of them. Many Labour Members share our concern about increases in the Community budget, especially in respect of the common agricultural policy. The Community budget is one of the great scandals of our time. Can the House give it urgent consideration before the recess?

Mrs. Taylor: I understand that there was a full and lively debate in European Standing Committee B yesterday. I have full confidence that my hon. Friend the

Economic Secretary dealt with the matter extremely well. There was also a debate on a similar matter on the Floor of the House, but it was very poorly attended.

Ms Beverley Hughes (Stretford and Urmston): In view of my right hon. Friend's role in co-ordinating the Government's initiative on drugs—about which I know she shares the concern of many hon. Members—when will she be able to make a statement on the matter generally, and in particular on the appointment of the so-called drugs tsar to take things forward?

Mrs. Taylor: I am grateful to my hon. Friend. She is right to say that I and many other hon. Members are concerned about developments on this matter. I am afraid that I cannot promise a statement, but we expect to advertise for a person to fill the role by the end of this month.

Mr. Dennis Skinner (Bolsover): Is my right hon. Friend aware that I have raised the issue of long recesses on a number of occasions? It would be wrong of me not to repeat that today because 88 days cannot be justified in this Chamber or, more importantly, outside it. I know that the legislation is not ready, but she has heard requests for at least 14 different debates—Adjournment debates, not Bills—on issues ranging from coal to Indonesia.

It would not be impossible to come back a week earlier and arrange debates of an Adjournment character so that all those matters could be dealt with. Back Benchers in particular would be able to raise issues. While that may not be possible this time, I suggest that she tries to do it next time. If legislation is not available, use Parliament for raising other issues.

Mrs. Taylor: My hon. Friend said that he has raised this issue before. I have heard him do so before other recesses; he is certainly consistent on the point. He knows that I am on record as having said that we could make better use of parliamentary time by better spacing of parliamentary sittings through the year. I want to consider that. He is right to say that legislation is not ready because this is a new Parliament. That is a significant factor. I have some sympathy with his overall objective. The Modernisation Committee may have views on the issue when it comes to consider it.

Mr. Oliver Letwin (West Dorset): In connection with her response to an earlier question, how does the Leader of the House imagine that it would have been possible for the House to debate the European Community budget before the beginning of this week, given that the draft budget was not available to hon. Members before Monday?

Mrs. Taylor: There was a debate in European Standing Committee B, which was attended by hon. Members. That is normal procedure. There was a debate in the House on a related issue, and very few hon. Members attended it.

Sir Patrick Cormack (South Staffordshire): Will the Leader of the House address one of the questions asked by my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard)? The right hon. Lady omitted any reference to the guillotine. Can she give us a firm undertaking that next week's guillotine will be the last that we will have until the House has had an opportunity to debate the Modernisation Committee's proposals, and the Government have had a chance adequately to respond to them?

Mr. Skinner: No guillotines in the recess.

Mrs. Taylor: My hon. Friend suggests that I say, no guillotines in the recess. I can give that assurance. The hon. Gentleman makes a serious point. He is informing the House that there are proposals in the Committee's report that we feel may help to reduce the need for guillotines. I hope that he is right, and that we can make progress by implementing the recommendations of the Modernisation Committee, which I hope will reduce the need for guillotines.

Points of Order

5.37 pm

Mrs. Eleanor Laing (Epping Forest): On a point of order, Mr. Deputy Speaker. May I seek your guidance on a document, a copy of which I have sent to you in advance? It is a letter written by the hon. Member for Eastwood (Mr. Murphy), who, I understand from the document, is the co-ordinator of the campaign activity among Labour Members in the build-up to the Uxbridge by-election for the Labour party. [HON. MEMBERS: "Did you give him notice?"] I have given him notice that I intended to raise this point of order.

The document encourages members of the Labour party to telephone a House of Commons number telephone to make arrangements for their visits to the Uxbridge by-election campaign and informs them that the Scottish Labour party has undertaken to telephone a large number of Uxbridge voters between now and the by-election.

Is it in order for House of Commons paper to be used in a circular letter whose sole purpose is campaigning in a parliamentary by-election? Is it in order for House of Commons telephones, which are paid for by the taxpayer, to be used as part of a Labour party by-election campaign? Does not the drafting in of the Scottish Labour party to undertake telephone canvassing show the desperation of the Labour party about its chances of winning the by-election?

Mr. Deputy Speaker (Mr. Michael Lord): The House is obviously extremely careful about such matters. I would advise the hon. Lady to pass the document to which she has referred to the Serjeant at Arms for his examination.

Mr. David Heathcoat-Amory (Wells): On a point of order, Mr. Deputy Speaker. Yesterday, European Standing Committee B debated the apparent 32 per cent. increase in the size of the United Kingdom's contributions to the European Union budget for next year, which will take them to £8.3 billion. I say the "apparent" 32 per cent. increase, because that was the figure cited in the original papers submitted to the Committee; but a late paper submitted on the day of the debate suggested that the real figure might be less, although the Economic Secretary failed to give any alternative figure and failed to specify the real position. That late paper was never received by some hon. Members who attended the Committee.

In view of the lack of timely documentation about this matter and the fact that there is still confusion about the real increase in the size of our contributions to the European budget next year, I submit to you, Mr. Deputy Speaker, that the scrutiny requirements under Standing Order No. 119 have not been discharged. The House should not now proceed to vote on the motion before it, which would give authority to the Government to cave in to that massive increase by discharging that scrutiny requirement.

Mr. William Cash (Stone): Further to that point of order, Mr. Deputy Speaker. I thoroughly endorse what the shadow Chief Secretary has said. As a member of the Select Committee on European Legislation and one who participated in the so-called debate yesterday in European Standing Committee B, I have never seen such outrageous behaviour. The Government treated the Committee with contempt.

The documents, which were produced incredibly late, were unsatisfactory and in a mess. They completely contradicted the recommendations by the Select Committee last year that documents should be provided to all Committees in good time. Yesterday's events were an outrage and a disgraceful slur on the activities of the House.

Mr. Deputy Speaker: The Chair is not responsible for what goes on in Standing Committees. As for the budget increase, the House will have to decide on the motion when it comes before it.

Rev. Martin Smyth (Belfast, South): On a point of order, Mr. Deputy Speaker. I understand that the Chair is the protector of Back-Bench and minority rights, so I seek some guidance from you. In 1983, the leaders of the Northern Ireland parties were advised that there were four places on the Select Committees for Members representing Northern Ireland. This time, after names have been submitted, just one Member from Northern Ireland will sit on the departmental Select Committees.

I have written to different people about the matter, and have received no clarification. Given the new arrangement between the Liberal Democrats and the Government, perhaps we might now be the custodians of minority rights in the House.

Mr. Deputy Speaker: I have noted what the hon. Gentleman has said, but that is not a matter for the Chair.

Mr. Nicholas Winterton (Macclesfield): On a point of order, Mr. Deputy Speaker. Further to the point of order raised by my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), is it acceptable to this House of Commons that matters that could involve the spending an additional not £2 million or £200 million, but £2 billion, which would be allocated to the European Union, should deal with in a Committee upstairs rather than on the Floor of the House? Is it acceptable that the documents presented on that occasion were inadequate and that one did not appear until the day of the Standing Committee?

Is this not a matter that you, Mr. Deputy Speaker, should deal with as a custodian of the rights of Back Benchers in the House? I view it as a very serious matter that the taxpayers of this country may have to ante up an additional 32.5 per cent. as our contribution to the European Union—in sterling, equivalent to possibly £2 billion. It is wrong that we had to decide that with inadequate documents, which were provided late to the Committee. Should not this matter be properly and fully debated on the Floor of the House, so that all hon. Members could participate?

Sir Patrick Cormack (South Staffordshire): Further to that point of order, Mr. Deputy Speaker. May I ask you to ask Madam Speaker to issue a note for guidance on the provision of documents indicating when they should properly be available so that Members on both sides of the House have a proper and adequate opportunity to know what they will be discussing?

Mr. Dale Campbell-Savours (Workington): Further to that point of order, Mr. Deputy Speaker. May I ask you to recall an incident last year in the same Committee Room when we were discussing almost precisely the same

issue? Mr. Phillip Oppenheim was the then Treasury Minister, and many of the hon. Members who have made points of order today were present then, and made exactly the same case as they have done today. The Government's response was to ignore them.

Mr. Deputy Speaker: Madam Speaker is always most concerned to ensure that the correct documents are before the House and I have no doubt will note what has been said. I repeat what I said earlier: the Chair—*[Interruption.]* Order. The Chair has no responsibility for what goes on in Standing Committees. Hon. Members will have an opportunity to vote on the matter when it comes before them.

Mrs. Theresa May (Maidenhead): On a point of order, Mr. Deputy Speaker. May I seek your guidance on the provision of information to hon. Members by Ministers? Last week, I tabled a written question to the President of the Board of Trade for answer on a named day asking when she intended to publish her Green Paper on the late payment of debt. On Monday, I received a holding response to say that the right hon. Lady would respond to my question as soon as possible.

On Tuesday morning, I read the answer to my question in *The Times*. Following publication of that answer in the newspaper, a response was sent to me by the right hon. Lady which confirmed the information that had been made available to that newspaper. Is it right that questions that are legitimately raised by hon. Members under the Standing Orders of the House should go unanswered while those answers are given to journalists?

Mr. Deputy Speaker: The Chair is not responsible for the content of answers to questions of that kind, but hon. Members certainly should be made aware of them before the press. The hon. Lady's point is well made, and will be noted.

Mr. Graham Brady (Altrincham and Sale, West): On a point of order, Mr. Deputy Speaker. I am a member of the Select Committee on Education and Employment which met for the first time at 4.30 pm yesterday afternoon. At that meeting we discussed a number of matters, the details of which I will not go into now, but they included whether we should divide the Committee into two Sub-Committees and who should chair them.

I was somewhat concerned to find that a copy of the *Evening Standard*, which I have passed to you, and which was purchased at 2.30 pm, two full hours before the Committee met, quoted one member of the Select Ctte, the hon. Member for Barking (Ms Hodge), to whom I have given notice, as the Chairman of one of the Sub-Committees. That is a point of concern, because not only did that report presuppose the election of that member as one of those Chairmen: it also presupposed that the Committee would decide to form those two Sub-Committees.

Neither of those decisions had been taken by the Committee, because it had not even met. I regard it as a matter of the gravest concern that that information should have appeared in the press. Could you, Mr. Deputy Speaker, investigate that matter on behalf of the House?

Mr. Deputy Speaker: The Chair is not responsible for speculation that may appear in the press in advance of such events.

BILL PRESENTED

Mobile Telephones (Prohibition of Use in Designated Places)

Mr. Michael Fabricant presented a Bill to prohibit the sending or receiving of mobile telephone calls in restaurants, railway carriages, buses, cinemas, theatres and other designated places: And the same was read the First time; and ordered to be read a Second time on Friday 13 February 1998, and to be printed [Bill 57].

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

1998 Preliminary Draft Budget

That this House takes note of European Community Document No. COM (97) 280, the Preliminary Draft Budget of the European Communities for 1998; and supports the Government's efforts to maintain budget discipline in the Community.—[*Mr. Jamieson.*]

The House divided: Ayes 319, Noes 111.

Division No. 65] **[5.49 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainsworth, Robert *(Cov'try NE)*
Anderson, Donald *(Swansea E)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne *(Aberd'n S)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Berry, Roger
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond *(Kilmarnock)*
Buck, Ms Karen
Burgon, Colin
Byers, Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Ellman, Ms Louise
Ennis, Jeff
Etherington, Bill
Ewing, Mrs Margaret

Fearn, Ronnie
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Grant, Bernie
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Ms Rosemary
Mackinlay, Andrew
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, David *(Shettleston)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Alasdair *(Galloway)*
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
Osborne, Mrs Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stinchcombe, Paul
Stott, Roger
Straw, Rt Hon Jack
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wray, James
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Kevin Hughes and
Mr. Jon Owen Jones.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Brady, Graham
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Donaldson, Jeffrey
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Fabricant, Michael
Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Gibb, Nick
Gillan, Mrs Cheryl
Goodlad, Rt Hon Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hammond, Philip
Hawkins, Nick
Heathcoat–Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter

Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Andrew
Madden, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Dr Brian
May, Mrs Theresa
Merchant, Piers
Nicholls, Patrick
Norman, Archie
Paterson, Owen
Prior, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Smyth, Rev Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple-Morris, Peter
Townend, John
Trend, Michael
Tyrie, Andrew
Walter, Robert
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Oliver Heald and
Mr. John Whittingdale.

Question accordingly agreed to.

Orders of the Day

Education (Schools) Bill

Lords amendment considered.

Clause 2

TRANSITIONAL ARRANGEMENTS FOR EXISTING ASSISTED PUPILS

Lords amendment: No. 1, in page 2, line 5, at end insert—

("( ) in the case of a pupil with an assisted place at a school providing education for children up to the age of 13 but not beyond, at the end of the school year in which he attains the age of 13; or")

6.4 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): I beg to move, That this House doth disagree with the Lords in the said amendment.

Mr. Deputy Speaker (Mr. Michael Lord): I must inform the House that the amendment involves privilege.

Mr. Blunkett: In order to detain the House for as short a time as possible, I shall not go over all the old ground and refer in detail to familiar issues. We oppose the assisted places scheme; some Opposition Members support it.

In phasing the scheme out, we are doing our best to protect children's interests. We have declined to overturn its extension, which we could have done in time for next September. We have made it clear that we will protect the interests of children who have already been guaranteed places and that, in allowing the scheme's extension to children in primary education, we are protecting their right to remain in it until the age of 11. Today's debate deals not with substance and principle, but with the issue that arises from the Lords amendment, which refers indirectly to the Kilfoyle letter.

Mr. Don Foster (Bath): My party is as convinced as the Labour party of the need to abolish the assisted places scheme as quickly as possible, but we also believe that when a promise has been made it is important that it is kept.

Will the Secretary of State confirm that he supports what Lady Blackstone said in the debate on the Bill in another place? She said:

"The presumption will be that any parent who has accepted an assisted place running through to age 13 in a free-standing preparatory school on the basis of the Kilfoyle letter will have that place honoured. I can confirm that in such circumstances the commitment will be honoured through the use of the discretionary power."—[*Official Report, House of Lords*, 17 July 1997; Vol. 581, c. 1093.]

In what circumstances would the Secretary of State not agree that the commitment given in the Kilfoyle letter is being met by the Government?

Mr. Blunkett: I am happy to support what was said by my noble Friend. On the understanding that the promise was given as a consequence of the Kilfoyle letter, it will be fulfilled under the discretion that we have agreed.

Mr. Stephen Dorrell (Charnwood): The Secretary of State is dealing with the nub of the issue. What if a child

[Mr. Stephen Dorrell]

at an independent preparatory school has an assisted place that was given according to the rules of the assisted places scheme but not on the basis of the Kilfoyle letter? If the right hon. Gentleman cannot describe circumstances that distinguish the general case from the case that has not relied on the Kilfoyle pledge, I do not understand why he has to preserve the discretion. Why can he not simply write the principle into the Bill?

Mr. Blunkett: I think that the right hon. Gentleman understands perfectly well why we need the discretion. There are people who, although their child had entered a school that keeps pupils up to the age of 13—and had done so at an early age—had not been assured that their child would continue until the age of 13. Such people were not in the position that we are discussing.

There have been some peculiar quirks to the assisted places scheme, and we, as a new Government, do not propose to repeat them. There have been quirks in the interpretation of the scheme—not least the fact that, when the original secondary education scheme was passed in the early 1980s, hon. Members were not necessarily aware that it would be applied to primary education by primary and prep schools. People who were obtaining places were highlighted in the press because, as the former hon. Member for Buckingham said, there was a presumption that they may not strictly have been entitled to them. We are not examining what has happened in the past, so as to protect the interests of the young people concerned. We are mindful of the fact that we must not drop ourselves into the hole of not having discretion and being unable to examine claims properly.

Mrs. Cheryl Gillan (Chesham and Amersham): It is obvious that the Secretary of State intends to press ahead and put the legislation on the statute book. The amendment is important. How will he exercise the discretion? How much will it cost to examine the cases of each of the 2,000 children who are covered by the amendment? What extra amount will his Department put to one side to scrutinise each of those applications? No parent of any child who falls into this category will be satisfied with the right hon. Gentleman's blanket assurances. If he intends to keep his pledge of putting children before dogma, he must say how much is being put aside to examine these cases.

Mr. Blunkett *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Interventions should be short: they should not be mini-speeches. I appeal to hon. Members for co-operation.

Mr. Blunkett: As an ex-Minister, the hon. Lady should be aware that the section, including staff at Darlington, have a duty to examine the applications and the allocation of places and to hold on file the information that is required, including details about the nature of the places that have been given up. As we are not expanding the scheme, and as that information is available, it can be made available at no expense. It is a question of using departmental time, and I am, and intend to remain, a great believer in ensuring that we use that time effectively and efficiently.

I am not sure that the people involved in the 2,000 cases to which the hon. Member for Chesham and Amersham (Mrs. Gillan) referred will apply for their children to go through to the age of 13. Some of them will think that it is more sensible to transfer their children to secondary education at the age of 11 than to seek private sponsorship, which many appear to be doing, or to transfer them to state secondary education at an age that is inappropriate for the area in which they live. These matters have already been debated at length, and I do not intend to delay the House by going through them again for the sake of hearing my own voice.

It is critical to understand that I am honouring our commitment to use the discretion sensitively and generously and to ensure that the young people and their families are not let down. I give that assurance again, and I have given it in the words of my noble Friend. I repeat the assurance that I gave on Second Reading about the 12 schools where children will take up places in September at the age of 10 and stay until the age of 18. We shall honour that assurance.

Much of the debate arises from the fact that, at the general election, we chose not to overturn the Conservative Government's decision on opening up primary education to assisted places. We did that because we thought that it was in the children's best interests not to have their education disrupted, and so that they would not have to enter the state system at such a late date that there would be no preference for them or their families. Contrary to what has been said in earlier debates on the matter, we have been extremely sensitive to the needs of children and have not put dogma first.

The amendment would not have been carried in the other place if only life peers had been voting. It would have been defeated by 79 votes to 55 if hereditary peers did not exist. It was simply a case of what I have described before as privilege defending privilege. Someone described it as democracy. This House is the democratically elected forum and has a mandate from the electorate. We had an overwhelming mandate on the Bill at the general election and no one could have been in any doubt about where we stood. We are not, therefore, debating the principle of the measure but whether discretion should be used in the way that we describe.

I say to the House and to the other place that great care must be taken over an amendment that is designed to undermine the Bill. We are sensitive to the importance of using the discretion wisely and of continuing to give guarantees. We are making sure that we protect children's interests and are going out of our way to prevent disruption.

6.15 pm

I wish that Conservative Members would understand that, as in the past, discretion will be used wisely and publicly. I fully understand that light will be shed on individual children and the importance of what was promised and what will be fulfilled. We do not want to open any more cans of worms that can be used to undermine the aim of switching resources from the benefit of a few to the benefit of the many. Some 400,000 youngsters of five, six and seven in state schools will

benefit from smaller classes. That is a clear message from the House, and it was sent at the election on 1 May. I hope that the House will reaffirm it in rejecting the amendment.

Mr. Dorrell: I hope that the House will reject the Secretary of State's motion to disagree with the Lords amendment. In moving it, the right hon. Gentleman was softly spoken—butter would not melt in his mouth. He is determined to try to present his case in the gentlest possible way. The question before the House is simple: whether the Government should write into the Bill the commitment that was given on behalf of Labour by the Parliamentary Secretary, Office of Public Service, in his letter to the chairman of the Incorporated Association of Preparatory Schools on 1 April.

I disagree with the Bill's principle, which is the abolition of the assisted places scheme. The Government's policy is divisive, and closes opportunity to many children. The Bill removes choice from parents and, in short, is regressive and reactionary. However, as the Secretary of State rightly said, that is not the question before the House. The question is very precise: whether the pledge given by the hon. Member for Liverpool, Walton (Mr. Kilfoyle), now the Parliamentary Secretary, Office of Public Service, should be put into the legislation to abolish the assisted places scheme. Let us be clear about the circumstances and history of the argument.

During the election campaign, the chairman of the IAPS sought clarification from the Labour party about how its policy to abolish the assisted places scheme would apply to his members—traditional preparatory schools offering education between the ages, typically, of eight and 13. There was some correspondence. The first response from Labour was not clear. The IAPS wrote again and received a crystal clear letter from the hon. Member for Walton, dated 1 April. It was not, in the language of the last Parliament, a statement made on a wet night in Dudley. It was a clear statement by a Labour party spokesman, no ifs or buts. I shall read it again to the House:

"If a child has a place at a school which runs to age 13, then that place will be honoured through to 13."

The question is whether that pledge, as given by the hon. Member for Walton, should be written into the Bill. It is a question not of the merits of the Bill, but of whether a Minister's word is his bond or simply the first convenient thing that comes into his head. It is a question that has dogged the Bill throughout its passage through Parliament.

It all began during the Second Reading debate on 2 June, when my hon. Friend the Member for Hertsmere (Mr. Clappison) asked the Secretary of State what his response was to the Kilfoyle letter and why the pledge was not in the Bill. It is instructive to go through the various occasions when the issue has arisen during the passage of the Bill. The House should note that, each time the issue has arisen, the Government's response has been different. No wonder the Secretary of State was so modest in his presenting his case this evening. He was anxious not to present a new argument. That at least is a departure in the way Parliament has dealt with the issue because, at every stage, the Government have offered a new excuse.

On 2 June, the Secretary of State offered his first excuse:

"I am very clear, and so is the Bill, that assisted places will remain in primary education up to the normal age of transfer at 11. Where an alternative transfer age applies in that area, the Secretary of State will have discretion, and my ministerial team and I will use it wisely to ensure that we do not have a situation where 500,000 youngsters transfer at 11, but other people think that they can transfer at 13, even if 13 is not the normal transferable age in that locality."—[*Official Report*, 2 June 1997; Vol. 295, c. 27.]

There we have the first doctrine that defended the Bill as drafted—that we should not allow transfer at age 13 where the normal principle of the local education authority within which the prep school operates is to transfer schoolchildren between primary and secondary stage at age 11.

I have two answers to that response. First, and most important, the Secretary of State's response on 2 June—which was not, I have to say, repeated in his speech this evening—breaks the pledge given by the hon. Member for Walton, who said that, where a child had a place at a school up to age 13, the place would be honoured up to 13. The Secretary of State's first response was that that would not apply if, in the locality surrounding the prep school, the normal habit was to transfer at 11. It was a breaking of the pledge.

Secondly, it is, of course, a matter for parents to decide whether it is in their children's interests, given local circumstance, to transfer, in the normal traditions of the locality, into the state system at 11, or to continue to 13, as the Kilfoyle pledge made it clear they would be entitled to do.

Just how clearly the Kilfoyle pledge was broken, if we accept the principle of the Secretary of State's response on Second Reading, was made clear in the letter that the Department for Education and Employment sent to prep school head teachers about how the Government, at that stage of the argument, intended to use their discretion. I go through this argument because, from the beginning, the Government have said, "Rely on our discretion," but at several stages in the argument they have offered different interpretations of how they intend to use it.

The Department's letter states:

"There is provision for the Secretary of State to exercise limited discretion to extend support under the scheme in exceptional circumstances."

That is not what the Kilfoyle letter told the IAPS on 1 April. That contained no ifs or buts. It stated:

"If a child has a place at a school . . . that place will be honoured".

In its letter to prep schools, the Department started talking about "exceptional circumstances".

It is small wonder, therefore, that my hon. Friends returned to the issue in Committee on 10 June. When the Under-Secretary of State for Education and Employment, the hon. Member for Birmingham, Yardley (Ms Morris), replied to that debate, she had a different line of argument. She said:

"the commitments that we gave in our manifesto will be honoured. I shall remind the Committee of those commitments. First, children in a secondary school will be able to finish secondary school and, secondly, children in a primary school will be able to finish primary school."—[*Official Report*, 10 June 1997; Vol. 295, c. 980.]

Both those commitments were given, and it is welcome that the Government intend to honour them, but the Under-Secretary forgot the third commitment, which was given by the hon. Member for Walton—

The Minister for School Standards (Mr. Stephen Byers): That was not in the manifesto.

Mr. Dorrell: That is a new defence. We have not had that one before. So far, on the authority of the

[Mr. Dorrell]

Prime Minister, this has been held to be binding. Now the Minister says that it is not in the manifesto. Would he like to develop that line of argument? I do not think that the Secretary of State will thank him if he does; he is in enough trouble as it is.

Mr. Blunkett: I wish to draw the right hon. Gentleman's attention merely to the fact that he was quoting the Under-Secretary, my hon. Friend the Member for Birmingham, Yardley (Ms Morris), in terms of her interpretation of the manifesto.

Mr. Dorrell: So we are back to the wet night in Dudley doctrine—that it does not matter because it was not in the manifesto. In her response to a debate in which the pledge was being quoted, the Under-Secretary talked about two commitments in the manifesto Those two commitments the Government are certainly honouring, but she forgot the commitment in the letter.

Before he gets too excited about it, the Secretary of State should remember that, the following day, the Prime Minister acknowledged at the Dispatch Box that the Under-Secretary was wrong. When challenged by my right hon. Friend the Member for Henley (Mr. Heseltine) on the issue, he said:

"Yes, the right hon. Gentleman is quite right to raise this, and I hope that my answer will give him some satisfaction."

The Prime Minister recognised that the Under-Secretary and the education team had got it wrong. He went on to say:

"the Secretary of State will make it clear today"—

he had not made it clear until then—

"that he will exercise his discretion in respect of those children".

Then the Prime Minister introduced some new doctrines into the argument. They had not been mentioned before. He said that the Secretary of State was about to issue a new statement of policy that said that the Government would exercise this discretion

"provided that they"—

parents—

"have been given a promise or an understanding that their assisted place will go all the way through to 13."

That was the doctrine the Secretary of State repeated from the Dispatch Box this evening: that the commitment in the Kilfoyle letter is not an unrestrained commitment, but a commitment to honour places where a specific commitment can be shown to have been given to a specific parent that the place will be open to age 13.

According to the Prime Minister's doctrine, the parent is not entitled to rely on the general pledge of Labour party policy given to the IAPS by the hon. Member for Walton on 1 April; any parent taking up a place in a prep school on the assisted places scheme was told on 11 June—several weeks after the commitment—that, if they wanted to rely on that commitment they had to get a specific and personal promise out of the prep school offering the assisted place. The Prime Minister had changed the terms of the argument.

Under further questioning from my right hon. Friend the Member for Henley, the Prime Minister introduced a new principle into the defence of the Government's position. My right hon. Friend pressed the Prime Minister to say why we could not have this principle in the Bill in the unrestrained terms of the Kilfoyle letter and why it had to be based on discretion. The Prime Minister said:

"It is important that there is a discretionary element, because we must avoid abuse of the system."—[*Official Report*, 11 June 1997; Vol. 295, c. 1135-36.]

That is the Achilles' heel of the Government's argument. Despite repeated attempts to extract from Government spokesmen, both in the House and in another place, an example of the abuse against which the Government are protecting themselves, no example has been forthcoming. The only Minister who offered any explanation about the abuse that the Government had in mind is Baroness Blackstone, about whom I shall have more to say in a moment.

It was only in another place that the full implications of the two new doctrines introduced by the Prime Minister became clear. My noble Friends supported an amendment moved by a Liberal Democrat peer, which is why I hope the Liberal Democrats may feel that this commitment should be written into the Bill.

My noble Friends pressed Baroness Blackstone to elaborate on the Government's policy. Part of the speech in which she set out the three circumstances in which the Government intend to use their discretion has already been quoted. Two of those circumstances are welcome. The first is where the local age of transfer is not 11 but 12 or 13, and I agree that that would be sensible. Secondly, there is the Dulwich example, where there is a secondary school that recruits at age 10. That seems sensible, too.

Then we come to the third example—I shall quote Baroness Blackstone's words directly. We come back to the doctrine of the specific promise. She said that some schools

"with an age range of seven, eight and nine up to 13—may have been given a clear promise that they can keep their place up to the age of 13 in the belief that the new Government gave such an undertaking. We shall honour that commitment."

What on earth does that mean? Does it mean that, on recruiting a pupil into a prep school, a head teacher has to produce a specific commitment that the child will be welcome at the school to the age of 13? Is not any parent entitled to assume that, provided the child behaves properly and so on, that is an implied undertaking between a school and a family? Why cannot that parent rely on the implied undertaking that, on putting a pupil into a school, the place will be open until the completion of the normal cycle of education in that school? Why cannot that parent rely on the general principle of the letter sent by the hon. Member for Walton?

6.30 pm

The importance of the questions that I am asking is underlined further when we look at what Baroness Blackstone had to say about the Government's belief that they need to protect themselves from abuse. She is the only Government spokesman who has tried to answer the question about what sort of abuse is being referred to. My hon. Friends and, I hope, the entire House will listen with some care to the few words that she offered in answer to that question. This is the Government's defence of why we cannot have this principle written into the Bill. She said:

"I was referring to schools which are simply using this as a bridge into independent secondary schools—in other words, providing another two years of private schooling at the taxpayers' expense for those who will then go on to pay for their child's independent ordinary schooling."—[*Official Report, House of Lords*, 10 July 1997; Vol. 581, c. 790-1.]

Let us be clear: the abuse against which the Government are protecting themselves is the action of parents who rely on the Kilfoyle letter and who, through the assisted places scheme, are intending to use a place at a preparatory school as preparation for access to an independent school at 13. That is the case with the great majority of children going into prep schools. It is precisely what the majority of parents who put their children into an independent prep school will intend for their children. The action of those parents is being described by Baroness Blackstone at the other end of the Corridor as the abuse against which the Government are protecting themselves. That is why Conservative Members do not accept the soft words of the Secretary of State.

Mr. Don Foster: The right hon. Gentleman said, rightly, that the House should listen carefully to what was said by Baroness Blackstone. It is also important that the House reads all her comments on this matter. If the right hon. Gentleman reads further, he will see that she talks about the fact that the majority of schools will act honourably. She said:

"I am sure that the vast majority of schools will act honourably and seek to do the right thing by the pupils in their charge. But I am afraid that we cannot rule out the possibility that a school—perhaps giving prominence to its own interests—may not ensure that parents consider all the available options."—[*Official Report, House of Lords*, 17 July 1997; Vol. 581, c. 1094.]

Surely the point is that many parents will want to consider what is the right thing to do for their children at the age of 11, and it is important that they should be given all the available information. That is the point that she was making.

Mr. Dorrell: I agree that parents must be responsible for their own decisions and make their own choice about whether they want their child to switch to the state system at 11 to go on in the independent system to the age of 13 or to switch into the state system at 13. Those are the decisions that it is proper for parents to make.

I do not accept any criticism about not reading the entire speech: I was reading the end of Baroness Blackstone's speech. I read the final paragraph of her speech to the last full stop and I read it verbatim. My point is that the Government's definition of abuse is the mainstream intention of any parent with a child on the assisted places scheme picking up on the commitment given by the hon. Member for Walton.

The numbers attached to this argument are tiny. What is proposed makes no material difference to the Government's plans for the assisted places scheme, regrettable though I believe them to be, but it makes a huge difference to individual children and it makes an even bigger difference to the Government's reputation for straight dealing. As the Bill went through the House and another place, we were told, first, that everything would be all right because it would be against the children's interests to move them at 13. Then we were told that we could rely on the discretion because it would deliver the result that the hon. Member for Walton promised. Then, when Baroness Blackstone was pressed on what she meant by abuse, she made it clear that she was referring to the great majority of parents who are relying on the Kilfoyle letter. They are being defined by the Government as abusers of the system.

The Secretary of State can use his majority if he chooses to overrule the Lords amendment. I hope that he will use this as an opportunity to show that he is bound by the specific terms of the commitment given on behalf of the Labour party which would not be honoured if the speech made by Baroness Blackstone was the guiding principle on which he was intending to use his discretion. This is his opportunity to recognise that this is an argument that has dogged the Bill from the beginning. It is an argument where right is on our side and he now has an opportunity to acknowledge that.

Mr. Gerald Howarth (Aldershot): The Secretary of State's contribution today has been most unedifying. I listened carefully, and I heard the assurances that he gave the House about the way in which those children will be treated. He said that there was nothing disreputable in his behaviour and nothing underhand in the way in which the Government will deal with this. However, the last thing that he was prepared to do was to put his words in writing in the Bill. It is that which gives the House cause for concern. It certainly gave cause for concern in another place.

If the Secretary of State is suggesting that we do not have cause for concern, that we have been given a bankable assurance and that the reservations expressed by my right hon. Friend the Member for Charnwood (Mr. Dorrell) are groundless, he has no reason to resist this modest but clear amendment. If the Government agree to the amendment, the people of this country—the 2,000 or so children who will potentially be affected—will have clear notice from the Government that they acknowledge the concerns. They would be giving an assurance to those children and their parents that they will behave honourably.

The argument that the amendment undermines the whole purpose of the Bill is pathetic. It is a narrow amendment which deals with a specific point, not with the underlying principles of the Bill—which most Conservative Members find deeply offensive. It deals with a small number of children and parents who deserve better treatment than they have had so far from the Labour Government.

My other point relates to the rather old-fashioned, class-warrior remarks of the Secretary of State about the decision of the other place to try to revise the Bill. His attack on hereditary peerages was rather pathetic. Their Lordships basically said that they were dissatisfied with the assurances that they had received and that there was therefore a need to revise the Bill. They were acting as the defenders not of privilege, but of those children from poor households who had been given the opportunity, by the Conservative Government, of education at independent schools regarded throughout the world as of the finest.

I hope that the message will go out to the people of this country that the right hon. Gentleman and his party are not content simply to have the most massive majority in

[Mr. Gerald Howarth]

this House for decades, but are so arrogant and so new Labour that they brook no opposition, from wherever it might come.

Mr. Blunkett: Especially from a Tory hereditary peer.

Mr. Howarth: That is a cheap remark. Does the right hon. Gentleman believe that there should be no revision; no opportunity for the decisions of this House to be revised? The hon. Member for Bristol, East (Ms Corston) is nodding. If this House is to be the sole authority, why have another Chamber? Why not abolish it? [HON. MEMBERS: "Yes."] There we have it—old Labour noises from new Labour faces. They are not interested in any opposition; they wish arrogantly to promote their cause, however unjust or misguided.

I hope that the Government will think again on the amendment. If they are anxious to show parents that they are serious in upholding the undertakings given in the Kilfoyle letter, they should accept the amendment gracefully. They should do so not because their Lordships defeated the Government, but because they recognise that they would be doing their duty in upholding an undertaking by a Labour spokesman and fulfilling their duty to the parents. I hope that they will think again about their unwise and arrogant remarks about the way that Parliament handles its business. They should understand the need for a revising Chamber.

6.45 pm

Mrs. Gillan: The House knows of my deep hatred of the Bill, which I have vigorously opposed at every stage. I am delighted with the way in which the new Conservative Front-Bench team have taken up the reins in opposing a vicious Bill that is based on class envy.

I congratulate the Government on doing one thing of which I thoroughly approve—protecting the music and ballet assisted places scheme, which is aimed at children who are talented in music or dance. Of course, the cost per pupil of that scheme is £13,000, so this amendment would cost very little to include in the Bill.

During the passage of the Bill, and not least on this amendment, we have tried to persuade, cajole and urge the Government to use common sense, despite their determination to abolish the scheme. We asked them to wait and see, because if their pledges on standards—which we all applaud—were fulfilled, the scheme would wither on the vine.

Had the Government been prepared to wait a little, that would have given schools time to absorb the change and perhaps find alternatives ways of funding pupils from less well-off families. However, the Government would not accept that and now they will not accept this reasoned amendment, which was passed by 127 Members of the other place. I congratulate those life and hereditary peers who thought it important to send their views to this place.

The amendment is a matter of honour. Both this and the other place are honourable Houses. I call on the Government to look on the amendment as a matter of honour. Indeed, one noble Lord—who agrees with the Government on the principle of the Bill—said that the Kilfoyle letter should be honoured. He said that the Government should start with a presumption of innocence in favour of those pupils and parents who are in the position referred to in the Kilfoyle letter. If we cannot appeal to the Government on logic, can we at least appeal to them on the ground of honour?

Mr. Blunkett: Cant.

Mrs. Gillan: The Independent Schools Information Service has estimated that about 2,000 children will fall into that category, as I said in my intervention the Secretary of State's speech. We have heard how the discretion will be applied, but we have also heard that the right hon. Gentleman considers that no expense will be involved in examining the cases of those children. It is rather sad that he considers that the departmental time of officials is not an expense. I would have thought that he would acknowledge that the officials who will no longer be required to administer the team will end their work more quickly if the amendment were accepted. If he rejects the amendment, the officials will have more of their time taken up examining the so-called discretionary arrangement, so it will be an additional cost on the taxpayer.

Like my hon. Friend the Member for Aldershot (Mr. Howarth), I was alarmed by the attack on the House of Lords and the use of that appalling soundbite, "Privilege defending privilege." The Secretary of State should accept that it is a case of privilege defending the underprivileged—something on which his party should be concentrating, as the Conservative Government always did.

The very fact that the right hon. Gentleman refers to privilege means that it is the privilege of the independent schools that bothers him. That betrays his antipathy towards independent schools, which was revealed so clearly on 2 June when, from a sedentary position, the right hon. Gentleman said that he wanted a colleague to preside over the demise of the independent sector.

Mr. Blunkett: Who said that?

Mrs. Gillan: The Secretary of State said it in a sedentary intervention recorded in *Hansard*.

We have tried every means to amend the Bill. We make a final appeal that the Government accept this well-thought-through amendment from the other place—for the sake of the children and as a matter of honour.

Mr. Andrew Lansley (South Cambridgeshire): I want to add a few remarks to those of my right hon. and hon. Friends. The Secretary of State brought discredit on himself by attacking the Lords for seeking to amend the Bill in a way that was designed to give effect to the promises made by the hon. Member for Liverpool, Walton (Mr. Kilfoyle) before the election.

I took part in the Second Reading and Committee debates on the Bill. I share the view of my right hon. Friend the Member for Charnwood (Mr. Dorrell). In those debates, Ministers defended the provision by referring to a limited discretion in terms very similar to those used in a letter to schools issued by the Department. The letter talked about a limited discretion in exceptional circumstances, which were described solely in relation to

"easing integration into the maintained sector in those areas where the normal age of transfer is later than age 11."

The evidence asked of schools wishing to apply on behalf of parents for such discretion makes no reference to the Kilfoyle letter.

When we debated the matter before, Ministers did not talk about discretion in the terms that were later used in the upper House. It is clear from what Baroness Blackstone said about discretion that the Government are seeking to cover up their clear failure to meet the pledges that they made before the election. They are trying to say that they can meet those pledges by the exercise of discretion, but it is clear that they will not. Baroness Blackstone said:

"If it can be demonstrated that the offers were made on the strength of the Kilfoyle letter, then, yes, we shall exercise discretion"—[*Official Report, House of Lords*, 17 July 1997; Vol. 581, c. 1093.]

The pledge made by the hon. Member for Walton was unequivocal. He said:

"If a child has a place at a school which runs to age 13, then that place will be honoured through to 13."

He did not say that the place had to be offered on the understanding of the commitment in that letter. He gave a clear expression of an intention that such places would be honoured. Ministers are trying to run away from that pledge. If they intended to honour such assisted places through to 13, they would put that in the Bill. The evidence suggests that they will not honour places in the terms of the letter issued before the election. They seek to break that promise.

We do not know the circumstances under which they will break that pledge. When Baroness Blackstone talks about the potential for abuse, we are in murky territory. There is no evidence of such abuses. No evidence is offered that schools have been seeking to encourage parents to maintain places against the interests of their children. Quite the opposite is the case.

I do not know about the cases of 2,000 children countrywide, but I know about the cases of five children in St. Faith's school in my constituency. The parents are continually asking the school under what circumstances their children, aged under 11, will be able to stay at the school until they are 13, as they hope. The school cannot answer. The parents are concerned that the place that they had believed would be maintained until the age of 13 will not be honoured. The school is not trying to disguise anything or distort their decision. It is trying to enable them to maintain the places that they had believed that their children would be able to enjoy up to 13.

We are seeking to uphold a decision that brings credit to the upper House and to give effect to what should have been the Government's intention. Parents had understood that to be their policy, and it ought to be put in the Bill.

Mrs. Theresa May (Maidenhead): It is regrettable that we have to debate the amendment and that the Government have not seen fit simply to accept it. It will not undermine the purpose or principle of the Bill, which have been debated long and hard in the Chamber. I contributed to those debates several times, and my views are well documented.

We are debating whether the Government are willing to abide by commitments that were freely given before the election—commitments on which people have been able to base decisions about the schooling of their children. The hon. Member for Bath (Mr. Foster) put the issue clearly in an intervention, when he referred to supporting the Government in keeping a promise.

The Government have not said that the commitment was not given. We are not debating whether the letter was sent by the hon. Member for Liverpool, Walton (Mr. Kilfoyle). He clearly gave an open-ended commitment that any child who had an assisted place at a school that went up to age 13 would keep that place up to 13.

As my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) has just pointed out, there was no suggestion in the letter that parents of such children had to have read the letter and said that they had done so to be able to believe that the place would be honoured until 13. The Government are introducing an extra criterion, which has not yet been clarified, to assure themselves not that parents were aware that the place would not be honoured but that they were aware of the Kilfoyle letter.

My hon. Friend the Member for Chesham and Amersham (Mrs. Gillan) asked how the Department will decide whether the cases brought before it will be subject to the Secretary of State's discretion. Will there be a test for parents? Will they be asked what the Kilfoyle letter is, and if they do not know, will their child not get the place?

We are talking about a small number of children. If the Government want to keep faith with parents, they should be willing to accept the amendment. It is precisely because they appeared to try to forget about the Kilfoyle letter during the early stages of the Bill—to forget about a promise made by a Labour Member when he had shadow responsibility for the matter—and pretend that it did not exist, that parents are saying that they want the commitment enshrined in the Bill. They will not simply allow the exercise of discretion by the Secretary of State. It is important that people are clear about the Government's position and that the uncertainty that the Government are suggesting, through the exercise of discretion, does not continue for the parents of children who do not know the age at which the assisted places scheme will cease to apply.

I have often sat in this Chamber brief though my time in the House has been, and heard the Prime Minister say that this Government keep their word and keep their promises. The debate on the amendment is about whether the Prime Minister is right—about whether this Government keep their word or their promises. If the Prime Minister is right, the Government should accept the amendment, because only by accepting, it will they prove that they keep their word on this issue. If they do not accept the amendment, they will be saying that the Government do not keep their word or their promises, contrary to all that the Prime Minister has said, but that they choose when and when not to keep their promises.

7 pm

Mr. Oliver Letwin (West Dorset): I have only a brief point to add to the debate, which arises from the comments of some of my hon. Friends. My contribution is a last and, alas, perhaps a vain attempt to persuade the Government to change their mind on the issue.

As has been frequently pointed out during the debate, the issue at stake is whether parents and pupils can rely on the word of a spokesman for the Government. It should

[Mr. Oliver Letwin]

be pointed out that it is in the interests of the Government that they should, in this case, make it clear that such reliance can be placed on the words of a Government spokesman. It is particularly in the interests of the Government in relation to an education issue because they seek to enact various education measures, the success of which will much depend on the ability of parents and students to rely on the words of Ministers about their future intentions.

As we all know, the Government have a vast majority, so they can easily reverse or amend their own legislation during this Parliament. The Government intend to introduce major measures in relation to, for example, student maintenance. If those who are subject to those measures and who are forced to take out loans feel that they cannot rely on the constancy of the Government's intention, that will do much to undermine the Government's policies. It is therefore surely in the interests not just of the country as a whole, but of the Government in terms of their legislative programme, that they should show, by accepting the amendment, that one can rely on a statement made by a Labour party spokesman in terms of its full meaning and without the slightest dilution.

Mrs. Angela Browning (Tiverton and Honiton): During the election campaign, the Prime Minister spent a great deal of time talking about trust and honouring pledges in an age of new politics. The Bill has broken a bond of trust. The amendment would force the Government's hand and hold them to their pledge. They should have the decency and the humility to accept it.

My right hon. Friend the Member for Charnwood (Mr. Dorrell) and my hon. Friends the Members for Aldershot (Mr. Howarth), for Chesham and Amersham (Mrs. Gillan), for South Cambridgeshire (Mr. Lansley), for Maidenhead (Mrs. May) and for West Dorset (Mr. Letwin) have not rehearsed in detail the reason for our opposition to the Government's policy on assisted places. We have concentrated tonight on the question of the honour of a Government who are now being challenged to keep their word.

I heard the Secretary of State say from a sedentary position that our pleas were all cant. I can tell him that parents who are worried about their children's future do not regard the honouring of a man's word as cant. That is the very least they expect from a Government.

I remind the Secretary of State of the pledge that he is being asked to honour on behalf of his Prime Minister and his Government. During the election campaign, the former shadow schools Minister, the hon. Member for Liverpool, Walton (Mr. Kilfoyle), gave a pledge, not to the country, but to the parents of children who had been awarded places under the assisted places scheme. The hon. Gentleman wrote:

> "If a child has a place at a school which runs to age 13, then that place will be honoured through to 13."

There was no equivocation, and no talk of potential abuse. There was a clear commitment to honour every place.

The Government have not taken that line since they published the Bill two months ago. There has been no talk of honouring places through to 13. Indeed, as we have heard this evening, Ministers have changed the line almost every time the matter has been discussed. We are now told that Ministers will use their discretion in deciding who has a valid place and who does not. Possession and knowledge of the document written by a spokesman for his Government before the election will decide whether parents are in a strong position to argue their case and whether they feel that they are part of that pledge.

Ministers' warm words offer no guarantee to parents whose children have been awarded assisted places until the age of 13 as their proposed discretionary power could, by definition, be used to guarantee a child an assisted place or to deny a child an assisted place. In effect, Ministers are saying to parents, "Trust us. We will use our discretion."

I appeal to the Secretary of State tonight not to leave those people hanging in the balance. He should honour the words of his colleague which were used in a letter that is now on the public record. He should demonstrate to the country that the Government are honourable and that the Prime Minister is honourable. If he does not, his actions will be judged by the people.

Mr. Blunkett: I intend to be brief in my reply. I used the word "cant" from a sedentary position because we get lectures from Conservative Members about broken promises, about letters being sent by Labour Members when in opposition and about Governments fulfilling their promises to the electorate. We are getting those lectures from people who broke every promise going in the previous 18 years. Immediately they came into office in 1979, they broke many of the promises they had made in opposition. One example was that they tripled the number of the unemployed although they came into office on a promise to reduce unemployment. Some of us have long memories and some of us remember the slogan, "Labour isn't working". Conservative Members should not quote a letter sent by a shadow Minister, and they should not talk about a promise that was not given in a manifesto and that did not form part of the election campaign and then describe our actions as cant.

Mr. Dorrell: Would the right hon. Gentleman like to reflect a moment on the doctrine that he is enunciating? Is he really saying that the only words that the Labour party regards itself as bound by are the words contained in its election manifesto? Is he really saying that none of the words used by its spokesmen are commitments that can be regarded as binding? Alternatively, would he prefer to go back to the proposition that he should be regarded as bound by the letter written by the hon. Member for Liverpool, Walton (Mr. Kilfoyle)?

Mr. Blunkett: No, I am not enunciating a doctrine, and I am not suggesting what the right hon. Gentleman suggests. I am suggesting that, outside the House, the word that might be used about people who accuse us of breaking our word is "hypocritical". We are talking tonight about precisely the opposite of what is being suggested. We are saying that, despite the fact that there was no manifesto commitment and that the matter was not part of the general election campaign, we are prepared to honour what my hon. Friend the Parliamentary Secretary, Office of Public Service implied in his letter.

We shall use discretion to carry through the commitment to children who were promised that they would be able to hold their places up to the age

of 13. Children in secondary schools who start at the age of 10 will be able to carry through until they are 18 years old—and we did not overturn the new primary admissions policy that the previous Government had introduced.

What I said about the upper House—the words have been twisted—needs to be clarified. I have not disputed for a moment the right of the upper House to send legislation back to this House or to move amendments. I have not suggested for a moment that that right does not exist. I merely pointed out that, had there not been hereditary peers, the amendment would not be before us, because it would have been defeated in the upper House. I think that that is a perfectly reasonable point to make from a democratically elected legislature that speaks on behalf of the British people.

One day, the class wars in this country will be over; we shall have a modern democracy in the 21st century—

Mr. Gerald Howarth: When you are gone.

Mr. Blunkett: That sedentary suggestion is very interesting. It is the kind of very silly class remark that shows contempt for an elected legislature in a democracy.

Mr. Howarth: Will the right hon. Gentleman give way?

Mr. Blunkett: I am not giving way, because I am going to finish by saying—

Mr. Dorrell: Will the right hon. Gentleman give way?

Mr. Blunkett: I have given way once to the right hon. Gentleman in what I promised would be a very short speech.

We are fulfilling the commitment that was made. We have said that in the upper House and again tonight. I shall not read further words from my noble Friend Baroness Blackstone, although I have them here. I shall commit the House to carrying through what she pledged and what we have said calmly and sensibly tonight. Those who had a promise will have that promise fulfilled. Those who believed that the letter sent on 1 April gave them a commitment will be fulfilled. I promise the House that we shall fulfil those commitments, and that is why we ask the House to reject the Lords amendment.

Question put, That this House doth disagree with the Lords in the said amendment:—

The House divided: Ayes 286, Noes 120.

Division No. 66] **[7.11 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham *(Nottingham N)*
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Berry, Roger
Betts, Clive
Blackman, Liz
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burgon, Colin
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain *(Hammersmith)*
Colman, Tony *(Putney)*
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge Hl)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dobbin, Jim
Dobson, Rt Hon Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Maria *(L'pool Garston)*
Elliman, Ms Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael John *(Worcester)*
Gapes, Mike
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Dr Norman A
Gordon, Mrs Eileen
Grant, Bernie
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian *(Tamworth)*
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Ms Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Mrs Ann *(Brentford)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Killoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McDonagh, Siobhain
McDonnell, John
McIsaac, Shona
Mackinlay, Andrew
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marek, Dr John

Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheffld Heeley)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
Olner, Bill
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Pond, Chris
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Quin, Ms Joyce
Quinn, Lawrie *(Scarborough)*
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Steinberg, Gerry
Stevenson, George
Stinchcombe, Paul
Stuart, Ms Gisela *(Edgbaston)*
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Dr Tony *(Cannock)*
Wright, Tony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Greg Pope and
Mr. Jon Owen Jones.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brazier, Julian
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Flight, Howard
Forth, Rt Hon Eric
Fraser, Christopher
Gibb, Nick
Gillan, Mrs Cheryl
Goodlad, Rt Hon Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heath, Rt Hon Sir Edward
Heathcoat–Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Andrew
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
May, Mrs Theresa
Merchant, Piers
Nicholls, Patrick
Norman, Archie
Paterson, Owen
Prior, David
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard *(Aldridge)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Temple–Morris, Peter
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. James Cran and
Sir David Madel.

Question accordingly agreed to.

Lords amendment disagreed to.

Committee appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendment to the Bill: Mrs. Angela Browning, Mr. Stephen Byers, Ms Jean Corston, Mr. David Jamieson and Sir David Madel; Three to be the quorum of the Committee.—[*Mr. Jamieson.*]

To withdraw immediately.

Reasons for disagreeing to a Lords amendment reported, and agreed to; to be communicated to the Lords.

Law Officers Bill *[Lords]*

Order for Second Reading read.

7.26 pm

The Attorney–General (Mr. John Morris): I beg to move, That the Bill be now read a Second time.

This is a very short Bill with the modest purpose of improving the efficiency of my office. It is, incidentally, the first legislation promoted by the Law Officers for more than 50 years.

Before I turn to the Bill, it may assist the House if I explain briefly the constitutional duties of the Attorney-General and the Solicitor-General. The modern title of Attorney-General was first used in 1461. An occupant in 1700 was called the bull-faced Jonas. Elwyn Jones, whom we fondly recall, preferred not to be remembered as the bulldog of the Crown, but as the corgi of the community.

Shortly after taking office, both the Solicitor-General and I swore ancient oaths, as our predecessors did, that we would sue the Queen's process "and after our cunning". I understood that to mean that we would use all our cunning in a better sense. Both the Attorney-General and the Solicitor-General are members of the Government. Together with the Scottish Law Officers, they are the Government's chief legal advisers.

The Law Officers also perform a wide range of duties in the public interest. In those roles, they are independent of the Government and are not bound by the doctrine of collective responsibility. Some of those functions arise from custom or the common law. For example, the Attorney-General on behalf of the Crown represents the interests of charity in the courts. He can lend his name to proceedings brought by a person who wishes to vindicate a public right. He traditionally advises the sovereign on peerage claims. Other functions are conferred by statute, such as the Explosive Substances Act 1883, which requires the Attorney-General's consent before a prosecution may be brought under it.

The Solicitor-General has been regarded as the Attorney-General's deputy since the first Solicitor-General, Richard Fowler, was appointed in 1461. However, the Solicitor-General's ability to act as the Attorney-General's deputy is curiously limited. The reason is simply that most of the Attorney-General's functions are conferred on him personally. Unless statute or the common law provides otherwise, they are exercisable only by the Attorney-General. In 1944, that became an acute problem, when the Attorney-General, Sir Donald Somervell, was in America for several months assisting—I believe—in the drafting of the charter of the United Nations. The Solicitor-General was Sir David Maxwell-Fyfe, who was unable to discharge Sir Donald's functions without express statutory authority.

Parliament duly passed the Law Officers Act, which provided—and provides to this day—that the Solicitor-General has the power to act in the place of the Attorney-General where that office is vacant, or where the Attorney-General is absent or ill, or where the Attorney-General has authorised the Solicitor-General to act in a particular case.

That was a useful reform, but the main drawback of the 1944 Act is that, so long as the Attorney-General is present, the Solicitor-General may not act on his behalf unless he has been specifically authorised to do so.

That is needlessly bureaucratic. There are decisions in dozens of areas that have to be taken by the Law Officers. My officials cannot put papers directly to my noble and learned Friend the Solicitor-General asking him for a decision. Instead, they must put them first to me so that I can consider them and either grant the necessary authority or take the decision myself.

The Bill will make it possible for the Attorney-General's responsibilities to be carried out more effectively, by allowing each of his functions to be discharged by the Solicitor-General. The functions, I should add, remain in law those of the Attorney-General, and the Solicitor-General will usually act in the Attorney-General's name.

The Bill does away with the limitations in the 1944 Act. It thereby places the Solicitor-General, broadly speaking, in the position of a junior Minister in any other Department. A junior Minister may discharge his or her Secretary of State's functions without being specifically asked to do so in every case.

Another weakness of the 1944 Act is that it says nothing about when or how the Solicitor-General may exercise the Attorney-General's common law functions. As a result, his authority comes from the common law itself, where the leading case of Wilkes dates from 1770. The Bill introduces some long overdue certainty.

What I have said so far chiefly applies to England and Wales. Clause 2 makes similar provision for Northern Ireland. The House may at first find that clause bewildering, so I should explain that, by virtue of the Northern Ireland Constitution Act 1973, the Attorney-General for England and Wales is ex officio Attorney-General for Northern Ireland too. The Solicitor-General enjoys no such status, but under the same Act he may discharge the Attorney-General's functions in much the same circumstances as are set out in the Law Officers Act 1944.

Finally, I should emphasise that it is the Attorney-General, as Minister in charge of the Department, who will remain ultimately responsible for the work of both Law Officers. I shall continue to decide how work should be divided between my noble and learned Friend and myself.

7.32 pm

Sir Nicholas Lyell (North–East Bedfordshire): I am glad to welcome the Bill. Indeed, in other circumstances my Conservative successor as Attorney-General would have introduced a similar Bill. I had been looking for some years for a suitable slot in which to introduce the provision myself. Of course the Opposition will support the Bill, although it will not be necessary to support it in the Lobby.

The Bill is to be welcomed, because it enables the Attorney-General and the Solicitor-General to work together more efficiently and, where necessary, interchangeably. It will enable the work of the Law Officers' Department to be carried on more swiftly and effectively. In recent years, in particular, the lack of such a Bill has made it necessary to formalise the delegation of work in a somewhat bureaucratic way. When the Bill is passed, we shall be able to do away with that unnecessary formalisation.

I was interested to hear what the Attorney-General said about the provenance of the Law Officers' authority. I am not sure whether the analogy with junior Ministers should

[Sir Nicholas Lyell]

be taken too far, because the Solicitor-General is himself a holder of office pursuant to the royal seal, and has powers of his own as well as powers delegated to him by the Attorney-General.

The Bill makes it unnecessary to formalise the delegation of work, and will also make it impossible to take some rather unmeritorious points in court in some of the tricky litigation in which the Law Officers are inevitably involved.

I shall add a word about Northern Ireland. As the Attorney-General has rightly said, there is no formal position of Solicitor-General for Northern Ireland—no office under that title. But the Solicitor-General is always referred to as the Solicitor-General in Northern Ireland when he is acting at the behest of the Attorney-General over there.

It has been an honourable tradition of Attorneys and Solicitors-General over the years, regardless of party, to work closely in Northern Ireland with all those responsible for relevant duties there, as well as with the judiciary.

I regarded it as a great honour to have been called to the Bar in Northern Ireland, and I am confident that the present Attorney-General will have been called too, and is a member of the Bar there. I expect that the Solicitor-General has also been so called, and that both of them feel as Sir Derek Spencer and I did when we were respectively Solicitor-General and Attorney-General, and as Sir Patrick Mayhew and I did in the years when I was Solicitor-General and he was Attorney-General.

We were both called to the Bar of Northern Ireland and were Queen's counsel within the Bar of Northern Ireland, as well as Benchers in Northern Ireland. Each of us regarded that as a great honour, and in the course of the work involved we were taken to all parts of the Province. This sensible little Bill will enable that work to be facilitated, as well as the work in England and Wales, and I am glad to give it our support.

Question put and agreed to.

Bill accordingly read a Second time.

Motion made, and Question put forthwith, pursuant to Standing Order No. 63 (Committal of Bills),

That the Bill be committed to a Committee of the whole House.—*[Mr. Pope.]*

Question agreed to.

Considered in Committee.

Clauses 1 to 3 ordered to stand part of the Bill.

Schedule agreed to.

Bill reported, without amendment.

Bill read the Third time, and passed.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the two motions relating to delegated legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

SOCIAL SECURITY

That the draft Jobseeker's Allowance (Workskill Courses) Pilot (No. 2) Regulations 1997, which were laid before this House on 3rd July, be approved.

LOCAL GOVERNMENT (SCOTLAND)

That the draft Local Government Act 1988 (Competition) (Defined Activities) (Scotland) Amendment Order 1997, which was laid before this House on 7th July, be approved.—*[Mr. Pope.]*

Question agreed to.

Electricity Pylons (Vale of York)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

7.38 pm

Miss Anne McIntosh (Vale of York): I welcome this opportunity to raise a matter of great concern to my constituents and those of neighbouring hon. Members, including the Leader of the Opposition, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), and my hon. Friend the Member for Ryedale (Mr. Greenway).

The subject of overhead pylons through the Vale of York was first debated in 1991, and subsequently in 1992 and 1995. The discussions concerned the building of a new gas-fired power station at the ICI Wilton complex on Teesside, which was granted planning permission in 1991 and has subsequently been constructed. Rumours are circulating about a proposal for a new power station to be built in the Newcastle area which would create the totally unacceptable possibility of further transmission implications. The Minister for Science, Energy and Industry may be able to respond to my concerns.

It was only subsequent to the granting of planning permission for the ICI Wilton complex that the National Grid Company proposed to construct new transmission lines running from Lackenby in Cleveland to Pickton in North Yorkshire, and then south to Shipton near York. One point of concern on which I would like the Minister to comment is that these two applications were treated for planning purposes as two separate events. The power stations gained planning permission without any apparent consideration of the environmental impact of the subsequent construction of 60 miles of pylons through some of the most stunningly beautiful countryside in rural England.

My first concern is the impact on the environment. The House will be familiar with the work of REVOLT, which stands for Rural England Versus Overhead Line Transmission. It has 300 active members, stretching to 10,000 signatories of various petitions. That reflects the increasingly vociferous support for the REVOLT campaign throughout north Yorkshire. REVOLT and local residents have consistently argued that the lines were unnecessary, and that is my principal point this evening.

The Teesside complex has been built and, subsequently, there has been no transmission from the plant. The new power station will use apparently spare transmission lines. My constituents, and those of other hon. Members in North Yorkshire, are concerned about that. If there were a proven need, there would not have been the campaign or the strength of feeling against the proposed pylons.

There is also the perceived health hazard, an aspect which has not been investigated fully either by this House or by the public inquiries. The fundamental concern is that the proposal would harm the visual outlook of rural North Yorkshire and would have a negative impact on the prices of housing and other amenities in the immediate residential areas surrounding the pylons.

North Yorkshire county council has lent its full support to the campaign and has consistently spoken against the pylons. The council is unconvinced that the line is required, and believes that the environmental impact of the construction is too high a price to pay and that the procedures leading to the present situation have been wrong.

I would like to ask the Minister a number of questions. Have the Government actively discharged their duty under the European Union directive on environmental impact assessment—adopted in 1985—specifically article 3 and annexe 3 thereof? Have they undertaken a specific environmental impact assessment to identify, describe and assess the direct, indirect and secondary effects of the proposed line of pylons on the environment? It would be a source of satisfaction to the House if the Minister could report that such an impact assessment has been carried out. We are obliged under the directive and our treaty obligations to pursue such an assessment.

My information is that such an assessment has not taken place, and I would like to report to my constituents that it will. Have the Government considered the negative impact on local amenities and specifically house prices, which would plummet should the pylons be constructed? Are the Government in a position to rule on the inspector's report and recommendations following the last public inquiry? The report has been with the Department of Trade and Industry for approximately two years.

During the recent general election campaign, there was without a shadow of a doubt all-party support for the campaign against the construction of the pylons. The Labour candidate for my constituency promised to deliver a decision in the early days of a Labour Government that that Government would reject the proposals. I asked whether any candidate from any party or any member of any Government could deliver such a pledge, but the Minister has an excellent opportunity to deliver.

If the Minister is unable—or does not have the competence—to reach such a decision, will he agree that the figures placed before the inspector at the last inquiry for the cost of transmission were erroneous? Will the Minister instruct another inquiry to assess the true cost? In my view, the true cost would reflect as a 15 per cent. loss in transmission—representing, at a conservative estimate, a £660 million loss to consumers.

I accept that power stations are competitive, but they obtain a subsidy for long-distance transmission on the grid. They have an artificial incentive to locate near the fuel source and far from the end consumer. Does the Minister agree that the preferred option for industry, the consumer and the environment is to locate the power supply as close to the point of demand as possible? Will the Government therefore consider the option of underground transmission? Has this been considered or costed? Sweden and Australia have ruled that no alternative to underground transmission of electricity and gas supplies will be considered in future.

As Sizewell B is now on line, what need is there for increased electricity in the south? Do not Sizewell A and B together satisfy the demand in the south, with resultant cheaper transmission costs?

If the line were consented to, the door would be open, contractually, to increase Scottish imports to the south of England, which raises a wider national issue. There is no proven need for the pylons. It is my view and that of many of my constituents that erroneous transmission costs were presented to the inquiry. I urge that the true costs be investigated.

[Miss Anne McIntosh]

Information exists that could show that the previous inquiry was crucially misinformed, and that gives good reasons for an early rejection of the proposed line of pylons. Failing that, I plead for the option of reopening the inquiry so that need, finances and the environment can finally be considered.

I invite the Minister to rule against the construction of these ugly and obscene pylons in the interests of preserving our countryside as we know it and keeping rural England as stunningly beautiful as the Vale of York that we enjoy today. The people of the Vale of York are in the Government's hands and we await with eager anticipation a definitive decision against the construction of the pylons or, at the very least, a decision to open inquiries on the perceived need, the cost, the environmental impact and the knock-on effects on amenities and housing.

Will the Government make the necessary changes to ensure that in future, in considering whether to approve power generation schemes, the environmental impact of transmission is also considered?

7.51 pm

Mr. John Austin (Erith and Thamesmead): I am extremely grateful to the hon. Member for Vale of York (Miss McIntosh) for allowing me to speak in her Adjournment debate. Hon. Members may be wondering why a London Member should be speaking on an issue concerning the Vale of York. I can explain that simply: BICC Cables—one of the few pieces of manufacturing industry left in London, and a world-class business which exports about 60 per cent. of its turnover but is also dependent on its United Kingdom business, as a major supplier to the National Grid Company—is located in my constituency.

I recognise the hon. Lady's strength of feeling and determination to campaign on environmental issues in her constituency, as I have done in mine when it has been threatened by motorways or roads through areas of outstanding natural beauty, but I must state the position as it may affect employees and businesses in my constituency.

The National Grid Company has a statutory obligation, determined not by Labour but by the previous Government, to connect all licensed generators to its transmission system and to transmit power generated by the licence holder to areas of need, no matter how many tens or even hundreds of kilometres away. There is currently excess generating capacity in Scotland and the north-east of England. It has been estimated that restricting the use of power stations in those areas may be costing as much as £50 million a year. I believe that the Department of Trade and Industry has an obligation to avoid that waste.

BICC is also involved with underground cables, and welcomed the decision of the first public inquiry, in 1992, to put part of the link underground. On environmental grounds, I should like as much as possible of any transmission link to be underground; that would be good news for the environment as well as for employees in Erith.

Labour cannot be held responsible for delays. Problems have been created for BICC, which first became aware of the project in 1991. The first public inquiry was in 1992, and, from 1993 to 1995, BICC did a great deal of preparatory work and detailed engineering study. The public inquiry recommendation published in 1994 gave approval for the link, with the stipulation that the section at Nunthorpe should be underground. The then President of the Board of Trade said that he was minded to accept the inquiry's findings. On that basis, BICC has continued to invest in the project and to keep spare capacity available at its factory in Erith; it has therefore suffered some detriment.

The hon. Member for Vale of York said that there was unanimity among various candidates, but the former Conservative Member of Parliament for the former constituency of Erith and Crayford, Mr. David Evennett, pressed the then Minister, Lord Fraser of Carmyllie, extremely hard in September 1996 for an early decision in the matter. Lord Fraser replied in a letter of 30 September 1996 that the Conservative Government were giving the matter careful consideration and noted his request for a decision as soon as possible.

I know that the current Minister has had the matter on his desk for only a few weeks, but a decision is required fairly urgently if BICC Cables in Erith is not to suffer further detriment.

7.57 pm

Mr. John Greenway (Ryedale): I congratulate my hon. Friend the Member for Vale of York (Miss McIntosh) on the good fortune of having been elected to the House as the Member for a constituency which, along with Ryedale, Richmond, Yorks, and Skipton and Ripon, has represented since 1 May a substantial buffer of blue surrounded by a sea of red, and which also happens to be one of the most gloriously beautiful parts of the British Isles.

There is no doubt that the issue raised by my hon. Friend has given rise to considerable anger for about five years, and I congratulate her on securing this debate. In the previous Parliament, I raised the matter on the Floor of the House on no fewer than three occasions: twice in the three-hour end-of-Session Adjournments and once on an Adjournment of the House.

I offer a hand of friendship and sympathy to the Minister. He deserves it, because he has inherited an extremely difficult situation. I am sure that he will tell us that the matter has sat on Ministers' and officials' desks at the Department of Trade and Industry for the best part of two years. It is a tribute to the resilience of those of us who have been fighting this for some time that we have managed to keep the ball in play and avoid a decision being taken in favour of the pylons. As the hon. Member for Erith and Thamesmead (Mr. Austin) pointed out, other people want a different decision because of the trade and jobs that will be associated with it. Such decisions always have that dimension.

Three points ought to be stressed, and they present the Minister with the solution to the dilemma that I acknowledge he faces. First, the basic reasons why the National Grid Company first applied for the power lines are no longer relevant. When the application was made, the people of North Yorkshire were told that the line was needed to meet the NGC's statutory obligation to connect a power station into the national grid, as the hon. Member for Erith and Thamesmead said. It did that, and, in the five years since the new power station at Bilton has been

operating, it has been taken into the grid, there has been no reduction in the power demand from the plant, and the grid has worked. There have been no difficulties. I will not explain the technical terms. Our advisers talk of trip-outs and so forth, which have not occurred. So the need for the line has never been demonstrated on the original terms, which were to connect the Bilton power plant.

Secondly, soon after the public inquiries into the matter were launched, the rabbit came out of the hat when it became clear that the NGC was about two separate things. First, it was seeking to strengthen the grid so that it could accommodate more power from more power stations built on the north-east coast.

Two such power stations were in the planning stage, but I think that I am right in saying that no application has ever arrived on the desk of a Minister in the Department of Trade and Industry or, formerly, the Department of Energy. One power station was to be called Flotilla and the other Neptune. Neither has progressed, for the simple reason that, while all this was going on, the Director General of Electricity Supply has rumbled the fact that we are spending so much money transmitting electricity around the country that there is a transmission loss and that it would be more effective and beneficial to consumers, whether domestic or industrial, if more power were generated closer to the market.

The Minister for Science, Energy and Industry (Mr. John Battle): Build more power stations?

Mr. Greenway: Yes, why not? If two more gas-fired power stations are to be built on the north-east coast to transmit electricity to the south of England, where the market is, why not transmit the gas and build the power stations in the south? That is a logical argument, and it would be more efficient to do so.

Secondly, there is excess capacity in Scotland, as has been mentioned, I think by the hon. Member for Erith and Thamesmead. Really this is about creating the opportunity for more electricity imports into England and Wales from Scotland. When that became apparent, one of the two privatised electricity generators, PowerGen, joined the campaign against the pylons, saying that there was not a level playing field. It said, by all means let there be competition in electricity supply, but that means that electricity can, equally, go into Scotland. On that basis, PowerGen said that the power lines were not necessary.

My third point shows the Minister how he can get out of this dilemma and give the people of North Yorkshire who will be affected by the power lines the opportunity of a fairer say than they have had already. From what the NGC told the original public inquiries, it is clear that they and the original inspector were misled on the key issue of transmission costs. The Minister has the correspondence in his file and on his desk. He knows that the NGC said that it would cost it more if it did not strengthen the grid than if it did, but, following the investigations into transmission costs undertaken by the director general, the reality is that, if it builds the power line, transmission costs will rise.

If the inspector's recommendation to go ahead, which led the former President of the Board of Trade my right hon. Friend the Member for Henley (Mr. Heseltine) to suggest that he was minded to accept the inquiry, was based on what can only be described, and is described by people in North Yorkshire, as completely duff information, why should the inquiry not be reopened so that the proper facts can be established? What has the NGC got to fear from a fresh inquiry and a fresh opportunity to state its case? It has convinced no one in North Yorkshire that the power lines are needed. On occasion, it has even failed to convince itself.

My solution for the Minister is, please, give us the inquiry for which, as he knows, I have asked for the best part of 18 months in this and the previous Parliament, as has my right hon. Friend the Leader of the Opposition, whose constituency is greatly affected by the problem.

Finally, there is no doubt that the structure of the privatisation of the electricity industry has created some of the difficulties we are faced with, as it was bound to do. That made it difficult for former Ministers to grant the decision that we would have liked.

The present Minister is not inhibited by that consideration. He has the opportunity to tackle many of the criticisms of electricity privatisation that we heard when we were on the Government Benches and Labour was in opposition. He should not simply accept that he must make a certain decision because that was the structure of the way things were done. He has an opportunity for a fresh approach and a fresh look at the question. The fact that the NGC knows that it has been found out and that its case to the inquiry was based on bogus information gives us the perfect opportunity to have another inquiry.

8.6 pm

Ms Dari Taylor (Stockton, South): Thank you, Mr. Deputy Speaker, for allowing me to speak tonight. I must also extend my thanks to the hon. Member for Vale of York (Miss McIntosh) for allowing me to speak in her debate, for which I am grateful.

As this is my maiden speech, I will certainly pepper it with some eulogies about my constituency, but it is not merely the visual outlook of the people of Stockton, South that is harmed by pylons and overhead lines. Their gardens, streets and schools and the lives that people in so many parts of my constituency lead are, frankly, straddled by overhead lines. The visual impact of pylons when they start in one's garden is monstrous. It is not merely that I want to tell the hon. Lady that I do not want any part of the countryside in Great Britain and its beauty harmed or damaged. I am also speaking clearly for so many of my constituents who want those things removed from their gardens and homes.

This is my maiden speech and it is incumbent on me to say some warm words about a constituency that I love. The River Tees runs through it, some very green and pleasant lands are attached to it and it has many leafy suburbs. It has people with considerable grit and guts. People who fight and have had to fight because their industry has been destroyed—sometimes, because people thought that it was not making sufficient profit and, oftentimes, because people were not concerned to put in the investment that the industry deserved and the people certainly deserve.

My constituency has gone through awful changes. Many of my constituents are unemployed. In some parts, 50 per cent. of the residential area has no one in work. That is a sad statement for me to have to make. Many

[Ms Dari Taylor]

children face not only existing but accumulated deprivation. I balance that by noting that, while my constituents have put up with, and continue to put up with, industrial turmoil and decline, they are still in there fighting. They would most like their environment to be cherished more and damaged less.

I pay tribute to my predecessor, Tim Devlin, who worked very hard for his party. He was a good constituency Member, as I intend to be. One of my predecessors, Harold Macmillan, was even more notable, although not necessarily more worthy, because he served as Prime Minister. I grew up during his era and, as a small child, sat in the House listening to him. I was spellbound by him and the others then in the House. My father was also a Member, representing Burnley. This is therefore a very special moment for me, because it brings back so many warm and cherished memories.

I am saddened to have to make my maiden speech when I am pleading for the people of constituency and their life styles, and asking the utilities to behave in a decent manner by burying the overhead lines and getting rid of the pylons. I know that one should not use the word "conflict" in a maiden speech, but there is one in this case. I question what the utilities have said about their ability to make profit. Inevitably, it is profit that has driven them to build pylons and overhead lines.

I am grateful to the hon. Member for Vale of York. As she stated, it is not only a question of the visual outlook. For many of my people in places such as Yarm and Eaglescliffe, it is a question of health. They believe that a health risk attaches to pylons and overhead lines. Some medical reports suggest that that could be the case. My constituents worry about bringing up their children in such an environment when they do not know whether there is a risk. We must press for better research.

I must point out to the hon. Member for Vale of York that, should the Lackenby to Picton line go ahead, pylons and overhead lines will be removed from a part of my constituency. Some of my constituents will receive a tangible benefit. They long for the lines to come down, because supply will increase and make those lines redundant. The fact that there will be a clear and immediate benefit for some, while for others the hideous pylons and overhead lines will remain, creates an awful dilemma for me. I should welcome more research and development, and clearer ideas about how to transmit power more effectively. I should like to believe that we can produce energy at the point of need, rather than transmitting it as we do.

I hope that this statement is accepted as being made with warmth and not in a spirit of conflict, but I wish that we had not had to wait 104 weeks for the report. It has clearly been with the Department of Trade and Industry for some time, and we should been given it earlier. We could have made clearer and more sensible statements to the electorate in the general election, rather than merely saying that we would fight to do what we could to support their needs. We could have spoken positively and clearly if the report had been made available earlier.

This is an important debate, which I welcome. It is crucial that we get this argument right. It is very important for the countryside, but it is also important for the residents of Stockton, South.

8.14 pm

The Minister for Science, Energy and Industry (Mr. John Battle): I congratulate the hon. Member for Vale of York (Miss McIntosh) on securing this debate. I pay her a special compliment, because this is an unusual Adjournment debate. Such debates are usually held at the end of the day and conducted exclusively between a Member raising a constituency concern and a Minister, with other Members occasionally being allowed to ask a question. The hon. Lady has displayed extraordinary generosity in letting other hon. Members take part in the debate. The fact that they wanted to take part shows that there is real concern about the issue. I almost feel that the matter was worthy of a full Wednesday morning debate.

It is also unusual for a Member to make a maiden speech in an Adjournment debate. Although she may not wish me to speak in such terms, I congratulate my hon. Friend the Member for Stockton, South (Ms Taylor), because she spoke with passion and warmth of her constituency. As it was an unusual debate in which to make such a speech, I know that she did not spend not days and weeks preparing, but responded to the terms of the debate. The natural, articulate authenticity with which she spoke augurs well. She is a remarkable speaker and captured our attention. I pay tribute to her for having had the courage to make her first speech in such a debate. Her constituents have an articulate champion in the House. I and, I am sure, other hon. Members, look forward to hearing her often.

I compliment the other hon. Members who spoke. I think that the hon. Member for Ryedale (Mr. Greenway) raised the matter in 1985.

Mr. Greenway: Nineteen ninety-five.

Mr. Battle: Yes. It was in 1991 and 1992 that the Leader of the Opposition raised it. I compliment my hon. Friend the Member for Erith and Thamesmead (Mr. Austin) for bringing his angle to the debate.

The matter is one of the items that I inherited. To be provocative, I was left a rather large in-tray by the outgoing Government. This item stuck out between the bars at the bottom of the tray. I am not shy about intending to get through the in-tray to put it behind us so that we can get on to the agendas that we want to address in the medium and long term.

The North Yorkshire lines are a long-running saga. The National Grid Company put in applications for a new 400 kV line development from Lackenby, Cleveland via Picton to Shipton in 1991. All the local planning authorities affected objected, as did more than 7,000 individuals. A public inquiry was held into the development in 1992 and a further public inquiry was held into proposed diversions in 1995.

The 1992 inquiry was lasted six months, from May to November, and reported in October 1993. Following receipt of the report of the 1992 public inquiry, a letter was issued in May 1994 by the Department indicating the overall route to which the then Secretary of State, the right hon. Member for Henley (Mr. Heseltine), was minded to grant consent. He was minded to grant consent for much of the route as overhead lines. Copies of the inspector's report from the 1992 inquiry were placed in the Library at the time.

A subsequent public inquiry was held between March and April 1995. It considered proposed line diversions, and reviewed general issues relating to the development. The report was received in December 1995. Since then, the Department has been considering all the evidence, including the material received since the inquiry closed.

It may be a little churlish of me to say it, but I jibbed a little at the hon. Member for Vale of York's remark about my incompetence—I have been in the job for just 12 weeks. As my hon. Friend the Member for Erith and Thamesmead said, the proposed development remained in the previous Government's in-tray for 104 weeks. It is now in my urgent action file, because I want the matter to be sorted out.

As hon. Members will be aware, however, my involvement in the statutory progress precludes me from commenting on the merits and demerits of the application. I am tempted to comment, because I enjoy debate and I enjoyed listening to the range of views expressed tonight, but I hope that hon. Members will understand my role in the matter. I can become involved only when the President of the Board of Trade has considered all the details relating to the application and taken a decision. I must confine my remarks to general ones. I hope that hon. Members will accept my reply in that spirit. I have noted what has been said, which will, of course, be recorded in *Hansard*, and officials at the Department of Trade and Industry will also take note of those contributions.

In opposition, we promised that, in government, we would look at all the evidence in the light of the two public inquiries and consider local and national needs. That is exactly what we are doing, so we are already acting on the suggestion of hon. Member for Vale of York.

A fair amount of material has built up on the case and must be absorbed. The development has rightly been subjected to the detailed scrutiny of the planning process. Given the controversy that has arisen, it has also been rightly subjected to the attention of the House in the past and again tonight. I got a hint from the hon. Member for Ryedale that it may well be referred to again if the decision on the development drags on. I accept that, but, for our part, we need to consider the conclusions and recommendations in the report on the detailed inquiry in 1995. It is not yet in the public domain, but it reviewed general issues and the specific applications for line diversions.

The line diversions are only part of the overall scheme, and it is therefore appropriate for us to look again at the report on the first inquiry in 1992, as well as the then Secretary of State's provisional conclusion on that inquiry in his letter of 12 May 1994. Various parties have submitted additional material to the Department since the last inquiry closed in 1995, which we also need to consider. We shall also obviously want to reflect on the views expressed by hon. Members tonight. That takes time, and if the Government were so unwise as to take an instant decision either at the Dispatch Box tonight or after we had so recently come into office, there would be complaints about our precipitate response to an Adjournment debate. All I can promise is that we shall reach a view on the case as soon as we properly can, in the light of all the material available.

That means that account will be taken of environmental impact assessments and the cost of putting the lines under the ground, an alternative to which hon. Members have rightly referred. As far as I can recall, the inspectors considered in the first inquiry that the overhead lines in the proximity of the Teesside power station served a number of needs relating to the power station, the future possible growth of generation in the north-east and increasing exports from Scotland. Although the Department of Trade and Industry was aware of the concerns raised by objectors, the consent to the power station was granted without the environmental impact of the overhead line being taken into consideration.

I understand that the previous Government decided that it would have been wrong to treat the overhead line as an integral part of the power station project and, therefore, to have delayed consent to that power station from 1990 until now. There was a division of decision relating to the power station and the line. Having said that, I should add that the overhead line proposals have been subject to full environmental assessments as required by the environmental assessment regulations. The hon. Member for Vale of York asked about that, and I hope that that information gives her a crumb of comfort. I will take that fact into account when reaching a decision on the development.

I am well aware of calls for all overhead lines to be buried underground. I would not claim that overhead cables are a visual amenity in any landscape, but we must balance their existence with people's desire to have electricity supplied to their homes to light them and to operate their televisions, washing machines and all the other accoutrements that are run by electricity. Although I cannot comment on the development in question, I feel that we need to be realistic when making a decision, because those overhead lines may be needed somewhere.

We need to take into account the environmental impact of overhead lines and consider the views of local communities about them. We also need to encourage companies to bury lines underground if they are placed in sensitive locations. We must recognise, however, the limits of present technology. To put a line underground is more expensive than to erect it overground, particularly at high voltage. The indications are that developing technology is unlikely to provide any immediate help in offsetting that cost difference. Those costs could feed through to commercial, industrial and domestic consumers.

There are also other disadvantages associated with underground cables relating to constraints on agriculture and other developments because of the need to protect those cables. They could be less reliable and take longer to repair. All that I am suggesting is that we need to look at any plans on a case-by-case basis. That is the approach which we intend to pursue on the development in question.

At this late stage in the evening, I do not want to start a full debate on the energy market, but the debate relates to it. The electricity supply industry is proving to be one of the most changing and dynamic markets of all time. Its shape is completely different from that expected on privatisation.

Mr. Greenway: And even in 1992.

Mr. Battle: Yes. I seem to recall that, when the Electricity Act 1989 was passed, the pool system had not

[Mr. Battle]

even been conceived, but it is now the main mechanism of the market. Some argue that more power stations should be built locally, while others argue that no more are needed because of generation over-capacity. Both those views have been expressed tonight. It is interesting to note Conservative Members' perception of that market.

Following the debates on privatisation, I sometimes wonder whether Conservative Members recall that, as a result of the changes, Governments no longer build or run power stations or lines. They are run by private companies which must make market investment decisions, subject, of course, to the usual environmental and planning constraints. Developments are occurring in the market as new power stations are coming on stream and older stations are closed down. The regulator is also considering plans to introduce a more cost-reflective system of charging for transmission losses.

We need to be aware of all those factors, but that does not mean that we can simply scrap all that has gone before, wipe the slate clean and pretend that we can start afresh as though the present integrated system did not exist. We must start from where we are, which is why decisions on developments are always difficult.

I am aware that there is some concern about the possible health effects of power lines. Some months ago, my hon. Friend the Member for Stockton, South drew my attention to that worry. It is a serious issue. An overhead line runs near to my house in Leeds, so it is something in which I take a personal interest—perhaps I should declare that.

We should take seriously the debate about electric and magnetic fields. For the benefit of those who have not been intimately immersed in that debate, I should say that the health implications relate to the alleged effects of electric and magnetic fields which occur from the voltage forcing electric current along wires to feed appliances. The higher the voltage, the stronger the field; the voltage can also exist when no current is flowing. Those fields have been debated by hon. Members on other occasions, and I do not wish to detain the House by commenting further on them. Indeed, the hon. Member for Vale of York did not discuss them, so perhaps it is not appropriate to have a lengthy debate on them now, but they are a matter of concern.

The National Radiological Protection Board has provided a useful information sheet, "Electric and Magnetic Fields". It is important that we treat the debate as scientifically and as seriously as we can to alleviate the worst fears and ensure that we live in as safe an environment as practically possible.

I am not advocating complacency. I do not want this matter to remain in an in-tray for another 104 weeks, as it did under the previous Government. Health issues, environmental concerns and the concerns of local communities must all be taken seriously. I understand the frustration of hon. Members at not having a definitive decision, even after two public inquiries. I also understand that they are doing more than their best to represent their constituents by raising these matters in the House tonight.

I appreciate that constituents have had to live with the uncertainty of this proposal for far too long. However, I plead with hon. Members to be patient, as this case has been with me for a mere 12 weeks. It has now been pulled out from the lower bars of the in-tray. We shall reflect on all the points made by hon. Members during the debate. I want to get on with the business of making the decision and removing the uncertainty. As I said, that will be as soon as is properly and practically possible. I assure hon. Members who have participated in the debate that I have no intention of holding up that decision.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Nine o'clock.

House of Commons

Friday 25 July 1997

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Welsh Assembly

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Jon Owen Jones.]*

9.35 am

The Secretary of State for Wales (Mr. Ron Davies): I very much welcome this opportunity to open the debate on the Government's proposals for Welsh devolution, as outlined in our White Paper published earlier this week, "A Voice for Wales". I trust that hon. Members have now had an opportunity to read it, so I do not intend to take up the time of the House either by summarising our detailed proposals or by repeating the general points that I made last Tuesday. There are, however, some very important issues with which I want to deal as an introduction to the debate.

This is a new Government, who have an agenda for change. At the general election, we promised the electorate a new approach to government and we put constitutional change at the heart of our programme. We did so because we believed that the excessive over-centralisation of the British state, after 18 years of rule by the Conservative party, had led to bad government and a weakened democracy. It has produced sleaze and incompetence in equal measure, and damaged the social fabric of our country.

We want to make a fresh start. We are committed to decentralising power and to extending the rights of individuals, rather than constraining them. We want to modernise procedures in this House and reform the composition of the House of Lords. The country voted for change on 1 May. We promised to modernise our democracy, and we will deliver on our promises.

Devolution to Wales is, of course, nothing new. Throughout this century there has been a developing programme of administrative devolution, which was reinforced by the establishment of the Welsh Office in the 1960s. It is interesting to note that the Conservative party opposed each significant stage of devolution, as well as the creation of bodies such as the Welsh Development Agency. To its credit, however, the Tory party has realised its errors, and is now reconciled to the process of administrative devolution. Indeed, by its actions over the years since 1979, it has in part accelerated the process—but it still seems to have difficulty with the concept of democracy.

Mr. Piers Merchant (Beckenham): The right hon. Gentleman said that the Conservative party had opposed devolution at each stage. Will he confirm that the Welsh people, when they were last given the opportunity, roundly opposed devolution?

Mr. Davies: That is a matter of fact. No one can dispute that the 1979 referendum produced a no vote. However, it is not a novel idea that people should change their minds, especially when they lose elections. I would have thought that that message is one that the Conservative party would take to heart. The circumstances of this country have profoundly changed since 1979, and it is therefore perfectly reasonable that we should now ask the people again.

As Secretary of State, I have sweeping powers, and a budget of some £7 billion. So did my immediate predecessors. Devolution allows for variations of policy. Indeed, devolution is there precisely to allow variations of policy to reflect local circumstances, local priorities and local aspirations.

However, my immediate predecessors exercised their powers to suit their own interests and ideologies—for example, the restrictions on the budget of the WDA; the restriction on the promotion of Welsh economic interests in Europe; the assault on the budget of the Countryside Council for Wales; the forced council tax increases; the nursery voucher scheme; grant-maintained schools; the popular schools initiative; and the appointment of cronies to quangos—none of which would have happened under a democratic form of devolution.

The right hon. Members for Wokingham (Mr. Redwood) and for Richmond, Yorks (Mr. Hague), and the former Members David Hunt and Peter Walker, used the Welsh Office to promote themselves, not the best interests of Wales.

The existing constitutional arrangements allow us as Welsh Members neither to take the decisions ourselves nor to challenge the decision makers. It is a myth to claim that the right hon. Members for Wokingham and for Richmond, Yorks were held accountable in this Parliament for their actions in Wales.

We propose to legitimise that undemocratic and unaccountable regime with a new democracy, with an Assembly directly elected by and answerable to the people of Wales, sensitive to Welsh needs as expressed through the ballot box rather than to an alien ideology expressed through an over-centralised Government with an attendant flotilla of quangos. There has long been scope for Wales to do its own thing, but we have seen where that can lead when that desire for diversity is not in tune with local values.

I shall put our Assembly proposals in the overall context of the governance of the United Kingdom. Wales will remain an integral part of the United Kingdom. Parliament will make primary legislation for Wales. The Secretary of State will remain a member of the Cabinet, and Welsh Members will be in the House of Commons, in full force. The Assembly will be able to make its views known and contribute effectively to public debate as well. These proposals add to Wales's opportunities to gain a hearing in the United Kingdom, not reduce them. The charge that Wales will be marginalised or sidelined is simply wrong.

The fact that the Secretary of State for Wales will no longer have to make decisions on important but essentially local issues, such as planning matters,

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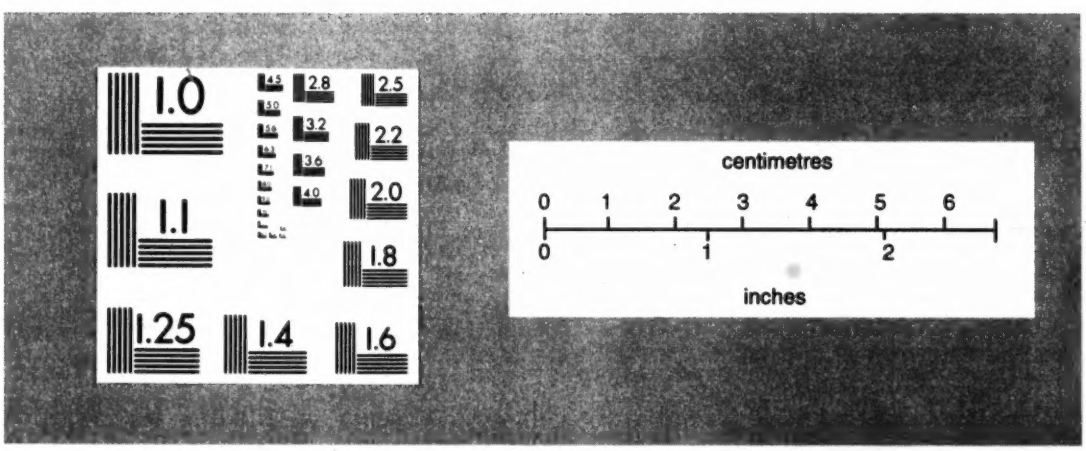

[Mr. Davies]

appointments and road schemes, will free him or her to make a more effective contribution on behalf of Wales at a strategic level.

Mrs. Teresa Gorman (Billericay): Is it not true that Welsh Members were elected to make decisions about housing and education, for example? If the Government's proposals were to go through, those elected to this place to represent Wales would be marginalised, in the sense that they would no longer have a say when it came to vital decisions on housing and education, which the Welsh people sent them to Westminster to decide upon.

Mr. Davies: In part, the theory may be correct that Welsh Members are elected to take decisions on matters such as housing. Our experience over the past two decades, however, is that we, Welsh Members, do not take such decisions, and that is the problem. Decisions relating to the administration of housing, economic development, education and the health service in Wales are not taken by Welsh Members.

Primary legislation passes through the House, and we are involved in that legislative process. That is true of the past, in the sense that we were opposing proposed legislation. Administration and detailed application of policies in Wales, however, has never been carried out in accordance with the direct wishes of the people of Wales.

I shall give the House what I consider to be the best and clearest example, which is nursery vouchers. The voucher scheme was imposed on Wales. There was no public support for it in Wales. We knew that it would be wasteful, divisive and bureaucratic. It was opposed by 32 out of 38 Welsh Members and by every local authority in Wales.

There were petitions and letters in their thousands—I understand nearly 5,000—in opposition to the scheme. There was no support for it but it was introduced. It was forced on us in Wales, and it was wasteful, expensive and bureaucratic. There was enormous relief when—it was one of the first actions of the incoming Labour Government—we were able to get rid of the scheme.

Several hon. Members *rose—*

Mr. Davies: I know that many hon. Members wish to contribute to the debate. I want to make my remarks as brief as possible, but I have a case to put to the House. It would not help the debate if, at this stage, the House were detracted from the main principles that I want to develop.

Mr. Allan Rogers (Rhondda): Will my right hon. Friend give way?

Mr. Davies: I have taken two interventions from Opposition Members, so I shall gladly take an intervention now from my hon. Friend, who I know will be anxious to support me on these matters. My hon. Friend having intervened, I should like to proceed and to make a little progress.

Mr. Rogers: My right hon. Friend has said several times that he wants to have a balanced view. Does he accept that every Labour authority in England—

Mr. Tam Dalyell (Linlithgow): And in Scotland.

Mr. Rogers:—and in Scotland—opposed nursery vouchers, and that opposition to the scheme was not a Welsh phenomenon?

Mr. Davies: As I have said, 32 out of 38 Welsh Members opposed the scheme. We had all the local authorities behind us. The scheme was completely out of keeping with the pattern of nursery provision in Wales, which is different from that in England. The voucher scheme was especially ill suited to our needs in Wales. That is the point that I was making.

I am proud to be the first Labour Secretary of State for Wales for 18 years. I know full well the value to Wales of my seat at the Cabinet table, and am pleased to be able to reiterate to the House that, under our proposals, there is a clear and continuing role for the Secretary of State for Wales. The voice and influence of Wales will continue to be heard in Cabinet and in Parliament, and all the more strongly for being informed by the work and deliberations of the Assembly.

Costs will, of course, be incurred, and—in reply to my right hon. Friend the Member for Swansea, West (Mr. Williams)—I have placed details of these costs in the Library. I felt that it was a proper thing to do, so that the argument could be informed today on the basis of fact rather than unfounded speculation.

We have no plans for a new Assembly building. We are considering a number of alternative existing buildings, and will work to make the most effective use possible of those available buildings. The median-range estimate for running costs is £17.5 million, and within this, and for estimating purposes only, is provision for salaries for full-time members.

The Conservative party prefers the quango system. Under its system, some quango bosses receive £35,000 a year for two days a week. The Government prefer the democratic system, and the salaries of Assembly persons will be properly and independently assessed by the Senior Salaries Review Board.

The Assembly is not only about costs—it is about opportunities and progress as well. I am confident that more accountable, and therefore more responsible public bodies can also be more cost-effective. The costs of the Assembly have also to be assessed in the context of the overall impact of the Assembly on the Welsh economy. Cardiff business school estimates that about 500 new jobs will be created directly as a result of the Assembly. More importantly, in the longer term there will be great benefit for Welsh identity and for Welsh industry and commerce, stemming from a confident Wales with its own strong will.

We can gain greater benefit from Europe with the clear identity and international recognition that will come from having our own democratic government. Marketing opportunities for Wales and Welsh products will be enhanced.

Contrary to the claims of the "Say No to Wales" campaign, the Confederation of British Industry has given a cautious welcome to our White Paper. I shall be having an early meeting to reassure it on the points that it has helpfully raised with Welsh Members in advance of today's debate.

Mr. Richard Shepherd (Aldridge–Brownhills): All this adds to the marginalisation of Welsh Members of the House of Commons. Is not the way to meet that to give all the powers that have been outlined to the Welsh Grand Committee, for example? I include in that legislative powers and the disbursement of moneys.

We would thereby retain the integrity of the Union, plus the integrity of the role of the directly elected and responsible Welsh Member of Parliament, who is elected on a franchise that surely covers issues such as transport, education and social services. At the same time, we would maintain—this is the point that worries my right hon. and hon. Friends—the integrity of the Union.

Mr. Davies: I understand the hon. Gentleman's argument, but I find it difficult to take it from a Conservative Member. I say that with the greatest respect, because I know that he is an honourable and independent-minded Member. The House will know that I value independent-minded Members.

For four years in opposition, I tried to persuade the then Conservative Government to allow the Welsh Grand Committee to meet and to have the power to debate the matters to which I have referred, let alone to take decisions. The Conservative Government's track record on these matters was pretty poor. They would not even let the Welsh Grand Committee meet.

The House is, of course, part of our sovereign Parliament, and nothing that is included in our proposals for devolution will in any way impinge on the integrity of the House. We are talking about the administration of Welsh affairs, which are currently devolved to me as Secretary of State. It is those powers that enable me to act in an administrative capacity and to initiate secondary legislation that will be transferred to the directly elected Assembly of the Welsh people. There is no question of the sovereignty of the House being impinged.

I was talking about the impact of an Assembly on the Welsh economy. One of Wales's leading economists, Brian Morgan, has studied the most authoritative report yet on the economics of devolution produced by MacKay and Aras. It shows that, in the modern world, factors such as education and training, innovation and communication infrastructure, drive economic growth. Macro-economic factors, such as money supply and interest rates, are best left as stable as possible, with diversity and flexibility pursued locally.

That is just what the Welsh Assembly is about: local democratic control of the locally delivered services that make an economy thrive. It is our best chance ever to break out of the vicious circle of decline that has left the Welsh economy languishing for two long and weary decades.

Brian Morgan said:

"The elements favoured by the new growth theorists are exactly the areas in which the Assembly will have power to influence developments."

How long will Conservative Members, who are still sentimentally attached to centralist theories, take to realise that it is local democracy delivering local growth in an environment of national and, indeed, European stability that strengthens regions and nations?

The Assembly will provide excellent value for money, by giving the people of Wales a greater say in their own affairs and in how those resources should be spent. We will ensure that the Assembly observes the highest standards of propriety in handling those resources. It will apply the principles of government accounting, and an accounting officer will be answerable to an audit committee chaired by a member of a minority party in the Assembly.

There will be an auditor-general for Wales who will, in addition to auditing the Assembly's accounts, be able to examine particular areas of spending to ensure that maximum economy, efficiency and effectiveness is being achieved. The auditor-general's reports will be published, and the audit committee will be able to consider them and pursue issues as necessary.

Only the highest standards of propriety will be acceptable, and propriety does not begin and end with finances. The highest standards of conduct will be required of the Assembly and its members. It will conduct its business openly and in a spirit of partnership with local government, business, unions and the voluntary sector. It will promote sustainable development and equal opportunities for all. The use of the English and Welsh languages will be equally valid. Those principles will be reflected in the standing orders of the Assembly that will govern its procedures.

From the outset, we shall apply the strictest codes of conduct for members with a full declaration of interests. The Tory system of sleaze and greed and peddling of political influence to serve personal not public interest will have no part in our new system of government.

The Assembly will serve Wales's interests. It will have to improve the performance of the Welsh economy and the quality and delivery of services such as education and health. I want to ensure that the Assembly has the tools to do the job from the outset. We shall therefore create in the primary legislation a new economic powerhouse and introduce immediate further changes as we dismantle the Tory quango state.

I know that some of my colleagues would urge me to go further and faster, but I believe that we have the right approach. We said in our manifesto that we would specifically empower the Assembly to reform and democratise the quango state. That is precisely what the White Paper proposes. All public bodies that operate solely in Wales will be subject to the democratic control of the Assembly. It will make the appointments, set the strategic framework, provide the funding, and hold the bodies concerned to account.

The Assembly will be given sweeping powers to restructure the quango state. It will be able to abolish most of the executive and advisory bodies that report to it. However, I cannot empower it to restructure five bodies that, like those for the national lottery and the museums, were established under royal charter or warrant. Moreover, the Government have concluded that three other bodies—the Countryside Council for Wales, the

[Mr. Davies]

Higher Education Funding Council for Wales, and the Welsh National Board for Nursing, Midwifery and Health Visiting—should retain their independent status.

Mr. Ieuan Wyn Jones (Ynys Môn): Will the Secretary of State clarify the position of the Welsh National Board for Nursing, Midwifery and Health Visiting? The chief nursing officer currently reports directly to him. Will he tell us and the people of Wales whether, under the new arrangements, the chief nursing officer will report to the Assembly or to him?

Mr. Davies: I shall provide a general explanation so as to put the answer into context. The principle that we are applying is that those responsibilities that are currently vested in me will, with one or two minor exceptions, be transferred to the Assembly by transfer order. It follows, therefore, that the functions that I discharge will become the responsibility of the Assembly. Those people who report to me directly and exclusively will report to the Assembly.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): Will my right hon. Friend give way?

Mr. Davies: I shall give way in a moment, because I know that my hon. Friend is concerned about this matter.

The Welsh National Board for Nursing, Midwifery and Health Visiting is currently subject to a review on a United Kingdom basis, and it would be wrong to pre-empt that review and to pass to the Assembly the discharge of professional responsibilities.

Mr. Rowlands: Will my right hon. Friend clarify the position of the Higher Education Funding Council for Wales, which is not a minor body? It has a budget of £145 million, and is one of the largest, top-ten quangos. If the Welsh Assembly is not to be responsible for that budget, presumably the council will remain accountable to the Secretary of State. Will responsibility for the budget stay with the Secretary of State? If not, where will it lie?

Mr. Davies: The Countryside Council for Wales, the Higher Education Funding Council for Wales and the Welsh National Board for Nursing, Midwifery and Health Visiting will not be subject to the Assembly's specific powers to restructure quangos. We took that decision in respect of the Higher Education Funding Council for Wales, because the principle has been established, certainly for the greater part of this century, that university funding should be the responsibility of an arm's-length body.

Mr. Rogers: Where will it lie?

Mr. Davies: With respect to my hon. Friend, he should let me answer my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands), and if he then wishes to intervene, I shall give way to him. These are important matters, and I want to ensure that we deal with them sensibly.

For the best part of this century, the case has been well established that the funding of universities is best done at arm's length to ensure academic freedom. That is why we have decided that the Higher Education Funding Council for Wales will not be subject to these specific powers. However, funding is through the block grant, and the Assembly will decide the level of funding available for university education in Wales. Currently, I am responsible for the division of the block grant among higher education, further education and other parts of the education system.

Mr. Richard Livsey (Brecon and Radnorshire): Will the right hon. Gentleman give way?

Mr. Davies: I want to make progress, because many hon. Members want to contribute to the debate, but I shall give way when I know that a hon. Member has a particular concern. However, I am not anxious to encourage interventions.

Mr. Livsey: I thank the right hon. Gentleman for giving way. It is a simple point. As I understand it, the Higher Education Funding Council for Wales is responsible for the higher education sector, whereas the further education sector will be the responsibility of the Assembly. Why have the two sectors been split? There is some concern about that in further education in Wales.

Mr. Davies: They have not been split: there are two separate funding councils. For the reasons that I explained to my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands), we want to ensure academic freedom and the independence of the university sector. We decided that it would not be appropriate to give the Assembly these specified powers to restructure the Higher Education Funding Council for Wales.

However, as the recent report of the Select Committee on Welsh Affairs shows, there is a considerable diversity of provision in further education. There is competition among schools, independent colleges and others that are funded by the Further Education Funding Council for Wales.

We felt that there was a strong case for the Assembly to be specifically empowered to get rid of the Further Education Funding Council for Wales if it so wished, so that it could better plan the delivery of post-16 education. The Under-Secretary of State for Wales, my hon. Friend the Member for Neath (Mr. Hain), is working with a task group to consider how best to ensure the proper integration of post-16 education. That responsibility will pass to the Assembly, so it should be properly empowered. If it wants to achieve a better integration of post-16 education, it will be empowered to do so. That is the principle that we have followed.

What we are doing, we are doing. The reform of the quangos will be done in the first wave of reform. The important point is that we shall then empower the Assembly to carry forward the process later to reflect its own views and priorities. That, of course, is the purpose of all our changes—to pass power from here in Westminster to Cardiff, where the elected representatives of Welsh people can make their own decisions to reflect their electorate's wishes.

I realise—to turn to another point which I know is of concern to the hon. Member for Brecon and Radnorshire—that some concern has been expressed about the consequences for mid Wales of our plans for

the new economic development agency. The development board, like the Welsh Development Agency, has a long history of success in bringing greater prosperity to the communities it serves, some of which are now among the most prosperous in the United Kingdom.

The board has provided the land and the premises needed for business growth. It has attracted welcome job-creating investment to the area and it has been instrumental in developing a range of quality services for small businesses. It has a good track record, too, as an innovator and force for change in tackling the problems of rural Wales.

None of the skills and organisation that has earned that success will be lost under my proposals. On the contrary, an important new benefit from the merger with the WDA will be to allow preparation of a single development strategy for the whole of rural Wales, which embraces the best of the policies and practices of the two bodies.

The creation of the Assembly offers new prospects and opportunities for key public services, as well as promoting economic development. Nothing is more important for the transformation of the Welsh economy than that we should have a world-beating education and training system in Wales. I have already mentioned our intention to empower the Assembly to deal with post-16 education. At present, decisions are taken at a distance from the hard-earned, practical experience of the classroom and the workplace. Instead, the Assembly will be accessible, responsive, and determined to do what is best for Wales as a whole.

Education and training can help to transform society in Wales. Both are central to realising my goals of a world-beating, job-creating economy and a better quality of life for everyone. A radical improvement in the skills and educational attainments of all is needed if Wales is to survive and succeed in an increasingly competitive global economy, and if everyone is to reap the rewards of a demanding future.

I fully expect that the Assembly will want to press on to secure still greater improvements in school performance, to ensure that all our young people reach satisfactory standards by the end of compulsory education. The Assembly will also want to ensure that education and training deliver the skills needed by the Welsh economy.

The Assembly will use the potential of new information and communications technology to expand access to education and training of the highest quality. For the first time, Wales will have an open and vigorous democratic institution concerned to achieve excellent results from all of the partners with an interest in education and training, across the country as a whole.

As well as promoting economic prosperity, the Assembly will want to improve our quality of life. At the outset, the Welsh Office's health staff, the Health Promotion Authority, and some elements of the Welsh Health Common Services Authority will be brought together, enabling the Assembly to play a decisive role in the national health service in Wales, developing its own strategic priorities and deciding on the allocation of resources to address them.

The Assembly will also be able to consider the evolving role of health authorities and to decide whether it wishes to take over particular responsibilities from them or to allocate them to other bodies. It will have all the tools it needs in its hands to bring about those changes.

The Under-Secretary of State for Wales, my hon. Friend the Member for Bridgend (Mr. Griffiths) has already announced our decision to re-configure NHS trusts by 1 April 1999. This will release much-needed resources for direct patient care. However, this is not an exercise in centralisation. The development of primary care is vital, and we are committed to locality commissioning of services, which will empower GPs and nurses to say what their patients need.

The health service will still be part of the national health service, with all that that implies for clinical standards, research, the professions, and the handling of pay, terms and conditions of service. The Assembly's staff will participate in national discussions, and it will have the same role in making appointments that I now have.

The Assembly will also work with local government. Here, the uniqueness of what we are proposing comes into focus. Compared to anything that we have seen before, the Assembly itself will be uniquely placed to develop an holistic approach, not simply to illness but to health, and to the determinants of health. In forming its policies, it will be able to look at the health impacts of employment, housing and education. In implementing its programmes, it will be able to draw together the work of the NHS, especially new developments in primary care and public health, with the work of its partners in local government.

There is another unique element. We now have in Wales a new structure of unitary local authorities that can each pursue coherent programmes across the full range of their responsibilities, working towards tangible achievement of health and social gain for their people. I am thinking not only of social services and environmental health functions—although those are extremely important—but of all their many powers that bear directly or indirectly on people's health and well-being. I know that local government in Wales, no longer undermined by creeping centralisation or the insidious growth of the quango state, is committed to examining the formidable contribution to health that local government services, taken as a whole, can now make.

Thus, we shall have a fully equipped, inclusive Assembly, working locally with newly empowered doctors and nurses, and with unitary local authorities that are taking on an increasingly holistic approach to the full range of local government services. That has to be an unprecedented and winning combination for improving the quality of life for people in Wales.

Mr. Rogers: Will my right hon. Friend give way?

Mr. Davies: I will certainly give way to my hon. Friend. I want to deal with the point about local government. Before I give way to him, perhaps I could again acknowledge the report that he has prepared, which gives his clear views on the relationship between the Assembly and local government.

Mr. Deputy Speaker (Mr. Michael Lord): Before the Secretary of State gives way, I remind the House that an awful lot of hon. Members want to speak today, and that repeated interventions and long speeches simply mean that others will not get a chance to make any contribution.

Mr. Rogers: I accept that, Mr. Deputy Speaker, but I find extremely cheerful and helpful the point that my right

[Mr. Rogers]

hon. Friend makes about the health functions in relation to local government. Am I to understand from what he just said that he and his Ministers are considering transferring some health functions back to local government, where they were before the most recent Tory reorganisation?

Mr. Davies: Our general approach has two elements. First, the Assembly will exist to create a partnership with local government not only in respect of health but in respect of all aspects of social provision, including economic development, housing, environmental matters and so on. Health is certainly an important part of that. Secondly, we shall empower the Assembly to do things it believes are necessary to improve the democratic working of Wales in relation to the quango state.

I said earlier that, in relation to the health authorities, for example, the Assembly will be empowered to reallocate responsibilities within the statutory framework. We have already said that there will be a reconfiguration and a reduction in the number of trusts. Central to that is our determination to ensure that local authorities are represented in trusts. So the answer to my hon. Friend's question is yes.

I am sure that my hon. Friend will be interested to know that the Welsh Local Government Association issued a statement yesterday, in which it said:

"The leaders of councils representing all political groups in Wales said the White Paper's approach to democratising the quangos is very positive."

The Welsh Local Government Association's leader, Harry Jones—this relates directly to the point that my hon. Friend raised—said:

"The White Paper sets out a broad framework which we fully endorse. We do not share the criticism being levelled at Ron Davies' decisions about the quangos whose function will be determined by the Assembly. Once the Assembly is in place we look forward to further transfer of functions from the quangos to local government. We look forward to working closely with the Secretary of State in drafting the Bill for the Assembly under the new partnership approach we have established with the Welsh Office under its new regime."

I know that my hon. Friend the Member for Rhondda will be delighted at the letter that I received yesterday from the leader of Rhondda Cynon Taff authority. He concluded:

"The White Paper offers the prospect of a positive partnership between local government and the Assembly and I am very pleased therefore to welcome its publication and endorse its contents."

It is therefore the case that we will develop the partnership to which my hon. Friend the Member for Rhondda refers.

The new relationship will be in stark contrast to the past 18 years, when the views and potential contribution of local government in Wales was all too often overlooked. The relationship will be a dynamic one, as the Assembly will be expected to promote and foster local government. It will also be expected to leave local decisions to local people and concentrate its efforts on the broader policy framework—one within which local government can do business effectively and be held properly to account by local people for their success or otherwise in achieving publicly declared standards of service and value for money.

The Assembly will be required to take account of local government interests when overseeing the development of public bodies in Wales. Councils will be given a greater say in the running of quangos which can show that they are capable of adding real value to the way in which services are delivered. The restructuring of Tai Cymru, for example, and the extra responsibilities that local government will have for promoting housing strategies shows what can be done.

The Assembly will be given the power to transfer quango functions to local government, and the Welsh Local Government Association will be given every opportunity to highlight the case for devolution from Cardiff to our local communities across the full range of economic and social policy.

In terms of paying for local services, the Assembly will assume all my current responsibilities for local government finance. Therefore, it will provide revenue support to local councils and capital spending approvals. However, as the entire local government finance system in England and Wales will be subject to a comprehensive spending review, details of the Assembly's role in areas such as council tax, business rates and revenue support will depend on the outcome of that study and any related further primary legislation passed by this House.

Whatever the result, the Assembly's approach will be heavily influenced by its general responsibility to promote and foster local government in Wales, and it will be held to account for its performance in so doing by the ballot box. The Assembly will not have the power to take existing functions from local government. Local government has its own legislative base, and that can be changed only by further primary legislation in this House. I am delighted that the Welsh Local Government Association has been so positive and enthusiastic in its support for our proposals.

Mr. Dafydd Wigley (Caernarfon): Could the Secretary of State address the question that I raised a few days ago about Europe and representation in it? He did not deal with that in detail in his speech. Page 22 of the White Paper states:

"The Secretary of State for Wales may participate in relevant meetings with the Council of Ministers and, where appropriate, represent the United Kingdom on relevant items."

On Tuesday, the Secretary of State said that Wales would not be disadvantaged in representation in Europe compared with a Scottish Parliament and Ministers. Yesterday, the Secretary of State for Scotland said that Ministers of the Scottish Executive—

Mr. Deputy Speaker: Order. I have asked for reasonably short interventions, but the hon. Gentleman's intervention is developing into a minor speech. Will he come to the point quickly?

Mr. Wigley: I am about to conclude. Yesterday, the Secretary of State for Scotland said:

"Ministers in the Scottish Executive will have an opportunity to participate . . . and in appropriate cases could speak for the United Kingdom."—[*Official Report*, 24 July 1997; Vol.298, c.1043.]

If there is a Conservative Secretary of State and a non-Conservative Assembly, how on earth can the interests of Wales be safeguarded unless the Assembly itself can represent Wales in the Council of Ministers?

Mr. Davies: I could not find the paragraph to which the hon. Gentleman refers, but I shall ask the Under-

Secretary of State for Wales, my hon. Friend the Member for Neath (Mr. Hain), who will be winding up, to reply to the hon. Gentleman's point if he is not satisfied with my reply. *[Interruption.]* The matter is not funny. The hon. Gentleman raises a serious and genuine inquiry, and I want to give him a fair answer. I fail to see why that should give rise to childish, schoolboy mirth among Opposition Members.

We have made it clear that the Assembly will be empowered to ensure that the Welsh voice is heard directly in delegations to Europe. I have given the assurance that Scotland and Wales will have an equivalent relationship with Europe. The executive members of the Welsh Assembly will be able to be part of those delegations. I shall ask my hon. Friend to clarify that in winding up.

Our proposals are important for Wales, and for Britain. The Government's programme for constitutional reform is now well on course. Wales will remain firmly a part of the United Kingdom but we are delivering our manifesto commitment to constitutional change and bringing openness and democracy to the processes of government in Wales. We are modernising the quango state and ensuring that decisions on public services will be taken for and in Wales by an Assembly that is accountable to Wales. That is the right way forward for our country, and I invite the House to support our proposals.

10.14 am

Mr. Michael Ancram (Devizes): The more I listen to the Secretary of State speaking about his proposals, the more I am reminded of Del boy in "Only Fools and Horses" trying to sell his latest doubtful wares. Behind the sales patter, there is the faint but somewhat charming impression that he does not really believe his sales pitch, and that he does not expect any of us to believe it, either.

I also have the feeling that, inside the new Labour Ron, there is a more real Ron trying to get out—the Ron who tells things as they are, the Ron of 1979, who voted against devolution and who called proposals for Scottish tax-raising powers "economic illiteracy". It has been rather painful to watch the old Ron trying unsuccessfully to get out, but I urge him to keep trying, to be true to his beliefs, and to turn his back on what is essentially a constitutional mess that will sideline Wales and threaten this United Kingdom.

Mr. Paul Flynn (Newport, West): The right hon. Gentleman had another painful day yesterday, when he heard the triumphant welcome by Scots Members from all parties except one for the proposals. He has also heard the proposals for an elected body for London, which I understand his party supports, and calls about East Anglia, the north-west of England and the north-east of England. If a great Parliament is to be set up in Scotland and if there are to be strong bodies throughout England, why on earth should Wales be left behind?

Mr. Ancram: The hon. Gentleman should check on our policy on London. We back the concept of an elected mayor, but we do not back the concept of a strategic authority. He should not necessarily take as gospel what he hears from his Prime Minister at the Dispatch Box, because frequently it is not. He makes an interesting point, and it is one that I was about to deal with. The Secretary of State for Wales keeps on telling us that we are debating not just a Welsh matter but the issue of constitutional reform throughout the United Kingdom. My concern is that any constitutional reform affects the whole of the United Kingdom.

It is fairly evident from the Government Benches that Labour does not see this as a matter for the United Kingdom. There is one Scottish Member present, and a smattering of English Members. The rest are Welsh Members. That shows that there is still a belief in the House that devolution is a matter only for Scotland and Wales. We argue that it is a matter for the United Kingdom as a whole, and we say that what is done in Scotland and Wales affects England as well. We are firm in that belief.

Mr. John Smith (Vale of Glamorgan): Does not the hon. Gentleman accept that devolution was a key element in Labour's manifesto at the general election, and that we had the biggest endorsement of the British people for a long time, while the hon. Gentleman's party had its worst result for 150 years?

Mr. Ancram: The hon. Gentleman obviously thinks that the election was fought solely on the issue of devolution. I do not think that that is true, and it certainly was not the case in England.

It also raises the question: if the election result resolved the issue whether devolution should go ahead, why we are now to have referendums in September? Surely the point of that is to allow the people of Wales to consider the arguments not only for an Assembly but against it, and to make up their minds on the basis of those arguments. In that democratic process, is it not right that our sincere and fundamental arguments that the proposals will lead to the break-up of the United Kingdom should be put to the people of Wales at that referendum? The suggestion that is often put to me—that somehow we are being undemocratic, given the election result, in expressing our views—defies the logic of democracy.

Mr. Dalyell: Simply as a matter of fact, there are two Scottish Members present—myself and the hon. Member for Moray (Mrs. Ewing). Is it not the reality that Scottish people will have to choose between the two of us?

Mr. Ancram: Perhaps I could answer one intervention at a time.

The hon. Member for Vale of Glamorgan (Mr. Smith) has put his finger on it. This is a democratic process, in which the people of Wales and of Scotland are going to have to make a fundamental decision, which, if they get it wrong, they will not be able to change five years later. It will have profound and lasting consequences, not only for Wales and Scotland but for the whole of the UK. Therefore, this debate should be conducted in all seriousness, with both sides of the argument being heard and being put.

Mr. Donald Anderson (Swansea, East): The right hon. Gentleman asked a simple question: why are we having a referendum? There is a simple answer—because that was promised in the election. Is that an alien concept to Conservative Members?

Mr. Ancram: What is an alien concept is the idea that the only reason for having a referendum is that it was in

[Mr. Ancram]

the manifesto. Are the Government telling the people of Wales and of Scotland that this is all a totally cosmetic exercise? Is that what the hon. Gentleman suggests—that we are having the referendum only because it was in the manifesto? The referendum is important, because it allows the people of Wales and of Scotland to consider this single issue and to make a judgment on it.

It is easy to jeer at the people who warn that half-baked proposals of this sort will undermine the stability of our constitution and lead to the break-up of the United Kingdom. Of course it is not explicit in the White Paper, but it is implicit in the dynamic that it will create. The Assembly will be the first step along the road to that break-up.

Mr. Martyn Jones (Clwyd, South): Will the right hon. Gentleman give way?

Mr. Ancram: No—I am going to make some progress, because you, Mr. Deputy Speaker, suggested that we should try to keep our speeches brief.

The Secretary of State said on Tuesday that he considered the Assembly to be "an evolving concept". He does not see it as what he is promising us today; he sees it as something that will change, as the hon. Member for Caernarfon (Mr. Wigley) obviously did in his welcome to the White Paper. I think that I can fairly say that his welcome was not so much for what is currently on offer as for what he believes it might become in due course. What he is looking for is not consistent with the Government' assurances that all their devolution plans are intended to strengthen the United Kingdom.

Mr. Wigley: I have made it clear in the House and outside that the model being offered by the Government is different from what we in Plaid Cymru seek. However, that model has certain benefits in its own right. We would prefer a fully fledged democracy in Wales, with law-making and tax-varying powers; but, even if we do not get that, there are advantages in having a directly elected Assembly that can democratise the quangos and ensure that we are never again ruled by the Tories, as we have been for the past 18 years.

Mr. Ancram: I find it hard to believe that the hon. Gentleman is trying to tell the House that he does not seek to use what is on offer to achieve his concept of independence for Wales in the long term.

The White Paper is the thin end of the wedge. The fact that it seeks to carry both nationalists and those who cherish the United Kingdom shows the constitutional mess it is.

Mr. Jon Owen Jones (Lord Commissioner to the Treasury): The right hon. Gentleman said that yesterday.

Mr. Ancram: I may have said it yesterday, but something that is worth saying is worth saying again, and I can say it over and again, because it is key to our objections.

The White Paper cannot achieve both those aims, because they are mutually exclusive. If it seeks to do that, it can create only disillusion, disappointment, resentment and impatience in both Wales and the rest of the UK, which will play into the hands only of the people who wish to pull our system down rather than to build it up. Expectations will be dashed, leading to alienation, further demands in terms of both power and money, and growing pressures within the constitution, until the breaking point is reached and the link snaps.

Those are what Conservative Members see as the consequences of the White Paper. That is why we have a responsibility, whether the Government like it or not, to warn the people of Wales and of the whole of the UK of the real dangers before this referendum takes place because, once we have set foot on this path, the die may be cast and there may be no going back.

History teaches us that events can often have a life of their own, leading to unintended consequences. Constitutional reforms of this sort are even more prone to that. That is why Conservative Members reject the White Paper and oppose the concept within it. Quite simply, we believe that it is bad for Wales.

Mr. Martyn Jones: Will the right hon. Gentleman give way?

Mr. Ancram: I am not going to give way for the moment; I will give way a little later.

Marginalisation is the most immediate threat facing Wales under these proposals. It is simply naive to believe that, were Wales to have an Assembly as proposed, the voice of Wales at Westminster and in Government would remain undiminished, let alone enhanced. The main Welsh voice at the centre of government and power would, to put it bluntly, be castrated.

The Secretary of State would be no more than a messenger boy, a voice without power or influence, a broken reed, bleating on the margins of Cabinet government, because the harsh reality of government is that, when someone abdicates his powers and gives away his responsibilities in an environment that has both in abundance, he is left with no influence and no ability to attract attention.

The extent of the Secretary of State's abandonment of power and responsibility is most chillingly summed up in paragraph 1.19 of the White Paper:

"The Secretary of State will retain a small team of civil servants to support his work"—

a small team for a non-job; a sounding board for a tinkling cymbal.

Incidentally, we are told that Welsh Questions will continue in the House. What on earth are they going to be about if all the matters that normally come up at Welsh Questions have been devolved to a Welsh Assembly? Perhaps we could have an answer to that. What is the House's role going to be in terms of questioning the Secretary of State about what is happening in Wales?

If the voice of Wales at the centre of government will have been eunuched, what of the Members of Parliament? The first cry at Westminster will be who speaks for Wales—Assembly members, who, according to the answer to a parliamentary question will be on more than £80,000 a year in terms of salaries and allowances for their glorified council jobs, or Members of Parliament? In Wales the voices will be local, and at Westminster the

Welsh voices will, in the nature of politics, become increasingly irrelevant. History demonstrates that with chilling impact.

The tragic reality is that "A Voice for Wales", in terms of the wider influence of Wales, would quickly become an introverted voice that would end up speaking only to itself, because no one else would be listening. In a necessarily outward-looking world, the Welsh people would pay a heavy price for what the Secretary of State, euphemistically and improbably, referred to on Tuesday as

"a real say in the way public services in Wales are run."

The concept that more local levels of government more closely represent local opinion than Members of Parliament is not one that I readily accept, not least because of the work that many Labour Members do in that regard. It is an insult to them to claim otherwise.

The choice for me is between the genuine and effective democratic accountability over Welsh affairs exercised by Welsh Members of Parliament and the expensive talking shop, stacked under the additional member system, with vested and extremely well-paid party interests, which the White Paper offers. I say in passing that it is difficult to accept that having additional members is more democratic, because the additional member system is the very stuff of political patronage.

Mr. Ron Davies: Given the right hon. Gentleman's recent experience, I should have thought that he would have seen some merit in having a system that ensured that, if a party gained 20 per cent. of the vote, it had at least some representation. In his recent past, he had responsibility for these matters in Northern Ireland. Is he saying that the electoral system in Northern Ireland, which ensured a measure of proportionality, does not have merit?

Mr. Ancram: I am going to stick to what I have said to the right hon. Gentleman before, and I will it say it again. If he wishes to draw Northern Ireland as an analogy, he should consult the Secretary of State for Northern Ireland before he does so, because he will find that, in Northern Ireland, for real reasons to do with the way in which society there is divided, in a way that it is not anywhere else in the UK, three forms of elections are used for various electoral purposes. Each has a political and social purpose designed specifically to meet an objective in Northern Ireland. To draw analogies from that is dangerous.

The point that I was making and that the Secretary of State cannot deny is that he will have friends in Wales who will be delighted at the concept that, if they are nice to him, they may find themselves elected to a Welsh Assembly without having to fight a constituency, because they will get on to a list.

That brings me to costs. When my hon. Friend the Member for Ribble Valley (Mr. Evans) suggested on Tuesday that, in its first four-year term, the Assembly would cost the Welsh taxpayer around £100 million, the Secretary of State said:

"I am afraid that the hon. Gentleman's figures do not add up."—[*Official Report*, 22 July 1997; Vol. 298, c. 753-74.]

Let us try the Secretary of State's figures. The White Paper allows for set-up costs of £17 million, and running costs are estimated at £20 million per year—which is £80 million over four years. The total is £97 million so far. We know that the White Paper will cost about £1 million by the time it is distributed, and the referendum will cost some £3 million. According to my mathematics, that totals about £100 million. I find it odd that the Secretary of State should claim that those figures do not add up.

Since then, the Government have supplied a parliamentary answer—to which the Secretary of State referred—in reply to a question from the right hon. Member for Swansea, West (Mr. Williams) of 23 July. It gives detailed estimates of Assembly running costs of more than £17 million a year—including £82,100 a year for Assembly Members' salaries and allowances—with more expenditure for

"committee chairmen and other senior figures."

Who are those "other senior figures"? How much more will they receive, and what will they be doing? I find those figures interesting, and I hope that the Minister will explain what they mean.

Mr. Rhodri Morgan (Cardiff, West): In referring to salaries and allowances mentioned in the parliamentary answer, would it not be fairer for the right hon. Gentleman to mention that they are estimates prepared for planning purposes? They are simply borrowings from the study conducted for BBC Wales by the Cardiff business school, and do not represent any final decision. According to the same parliamentary answer, that decision will be made by the Senior Salaries Review Body. Why did the right hon. Gentleman not mention that?

Mr. Ancram: The answer is given by the Government, not by me. I am entitled—at least, I think I am—to rely on information supplied by the Government. I refer the hon. Gentleman to another part of that answer, which states:

"The Assembly might in due course take a different view on its needs in this area, in particular. It might need to take on more policy staff depending on its priorities."

That means that the Assembly is likely to cost more than the sum mentioned in the White Paper.

The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain): What percentage of the total Welsh Office budget does the right hon. Gentleman think the predicted cost of the Welsh Assembly will be?

Mr. Ancram: I am not interested in percentages: I am interested—as the Minister should be—in the amount of money that will come out of the Welsh block that could otherwise be spent on education, health and the like. They are the areas in which the people of Wales are interested.

It is quite clear that the figure cited by hon. Friend the Member for Ribble Valley (Mr. Evans) is not far out: £100 million will come out of the Welsh Office budget in the first four years in order to pay for this talking shop. Some £90 million will come from the Welsh block that could have been spent on schools, hospitals, roads, and other services that the people of Wales need.

What happened to the Government's election priorities of education, education and education? Does the Secretary of State believe that Welsh schools have enough? If he does, I am sure that Welsh schools will be interested to hear it.

[Mr. Ancram]

I ask the Minister: how many new teachers would that money employ in Wales over the next four years? I suspect that the Government will tell us to consider the savings to be made from the reorganisation of quangos. What happened to the much vaunted bonfire of the quangos? The Government have been in power for 12 weeks, and suddenly quangos are not so bad after all. On Tuesday, the Secretary of State said:

"I want not so much to abolish those quangos as to ensure the services they provide are democratically accountable".—[*Official Report*, 22 July 1997; Vol. 298, c. 769.]

Ms Jackie Lawrence (Preseli Pembrokeshire): My hon. Friend the Member for Cardiff, West (Mr. Morgan) referred to a parliamentary question. The last paragraph—we should examine it in its entirety—states:

"The total running cost based on the above would be £17.1 million per year."

Will the right hon. Gentleman accept that, in 1996, the then Government's figures showed that the top 10 quangos in Wales cost £52 million a year to run? What is more, that figure had increased from £26 million in 1994—a 100 per cent. increase, at a time when the retail price index rose by 6 per cent. Clearly, the Welsh Assembly would save running costs, not increase them, as the right hon. Gentleman suggests. The money saved can be devoted to front-line services in Wales.

Mr. Ancram: I am grateful to the hon. Lady for making her speech. I suggest that she asks the Secretary of State for Wales how much of the cost of quangos will be saved. I understand that, in the same answer, he said that he could not make that calculation at the moment. We are talking about additional, not alternative, expenditure, which could be spent on schools, hospitals and so on.

Before the hon. Lady's intervention, I was quoting the Secretary of State. He has changed his mind about quangos—did he find that they were not so unaccountable after all? Is it not true that 13 elected councillors serve on the boards he is seeking to merge—and that eight of them are Labour councillors? Perhaps that is the explanation of the fact that the right hon. Gentleman is not abolishing, but merging, those quangos.

I welcome the tribute that the Secretary of State paid on Tuesday to the public bodies for the way in which they have significantly improved the economic prospects of people in Wales and the quality of the public services they enjoy. Presumably that is why there have been so few bonfires in the past few weeks, and why we can be sure that there will be few job losses.

If the natural law of public sector mergers applies, I suspect that we will see that new super-quango—under its politically correct new name of "economic powerhouse"—employing more, rather than fewer, people. Although I congratulate the Secretary of State on his conversion to the merits of public bodies, I do not see how the suggested merger of three quangos is consistent with his remarks this morning that he is seeking to decentralise power—that seems to be an effective means of centralisation.

Turning to the powers of the Assembly, as the Secretary of State said, we have now had more time to digest the White Paper and the answers he gave following the statement on Tuesday. Together, they have not made pleasant or reassuring eating.

For instance, I asked whether it would be possible for the Assembly to reduce the revenue support grant by top-slicing it to increase expenditure on its own programmes, therefore effectively requiring the councils to raise their council taxes to make up the shortfall. With the predicted removal of capping, that will be even more possible, and, I suspect, even more tempting for a Welsh Assembly. I suggested that that might be an indirect way for the Assembly to raise taxes, contrary to all the undertakings given that it would not be able to do so.

The reply I received—that the Assembly would not have direct tax-raising powers—was indistinct, to say the least. On the back of that reply, I must ask: will it have indirect tax-raising powers or back-door methods of raising tax of the sort that I have outlined? Is there anything to prevent the Assembly doing what I have suggested? I do not believe there is, and the people of Wales should be well aware that a vote for this Assembly in the referendum would, in the fulness of time, almost certainly be a vote for higher council taxes, with nothing to protect them.

The people of north Wales should be even more wary. My hon. Friend the Member for South Dorset (Mr. Bruce) asked the Secretary of State whether it would be wholly in the hands of the Assembly to decide which councils would get how much of the revenue support grant, and whether, with south Wales making up two thirds of the membership, it could vote more to its local authorities than to those in north Wales. With commendable brevity, the Secretary of State replied, "Yes." So now north Wales knows—and I am sure that the people of that region will want to take that into account when they vote in September.

Mr. Ron Davies: I am sorry that the right hon. Gentleman has sought to misrepresent me in that way—that is the only reason why I seek to intervene upon him.

The hon. Member for South Dorset (Mr. Bruce) asked me a theoretical question, and I answered directly that of course it was theoretically possible. The fact is that things do not work like that.

At present, we have in place a system of distributing the block grant involving detailed discussions with representatives of Welsh local government. I fully understand that the right hon. Gentleman's knowledge of civic affairs in Wales is fairly limited, but I assure him that that is the system. It involves agreement between the Welsh Office and local government in Wales. After the Assembly is in place, agreement will be reached by arrangement through discussions between the Assembly and local government on the basis of an agreed formula.

Mr. Ancram: The hon. Gentleman puts a lot of faith in such consultation. He cannot guarantee what he has said. My hon. Friend the Member for South Dorset asked:

"If this House votes a certain amount to local government, will it be wholly in the hands of the new Assembly to decide which councils get how much? If south Wales makes up two thirds of the membership, will it be able to vote itself more for its local authorities than north Wales will get?"

The Secretary of State replied:

"The hon. Gentleman has asked three questions"—

not hypothetical questions—

"The answers are yes, yes and yes."—[*Official Report*, 22 July 1997; Vol. 298, c. 771.]

Mr. Donald Anderson: Leaving aside the precedents of Wandsworth and Westminster, does the right hon.

Gentleman agree that it is absurd for him, as a non-Welshman, to try to put the frighteners on Wales, pretending that north will be set against south and Welsh speakers against non-Welsh speakers? There is an element that perhaps he cannot understand: the people of Wales have a basic sense of fair play. I am sure that that will prevail.

Mr. Ancram: The hon. Gentleman is continuing with the suggestion he made earlier this morning: that the possible implications of the White Paper should not be put before the people of Wales before they vote in a referendum. I find that a disgraceful suggestion for democracy.

When the Secretary of State addressed the issue on Tuesday, he talked about regional committees in the Assembly. I should like to know more about those committees. What powers would they have to guard against the dangers that I have talked about? Are they not more likely to highlight rivalries and differences rather than to cure them? We should be told why the committees should be regarded as anything more than politically cosmetic.

One further area needs to be clarified this morning—the hon. Member for Caernarfon (Mr. Wigley) touched on it earlier. On Tuesday, he asked the Secretary of State about the position in relation to Europe. The Secretary of State answered:

"Wales will not be disadvantaged in our representation in Europe as compared with the Scottish Parliament and its Ministers."—[*Official Report*, 22 July 1997; Vol. 298, c. 761.]

The Secretary of State for Scotland told us yesterday—somewhat to our surprise and horror—that Ministers from the Scottish Parliament will be able not only to participate in European Council of Ministers negotiations, but, when appropriate, to speak on behalf of the United Kingdom. I shall continue to point out, as I did yesterday, that that is a disturbing concept, because those Ministers, who will speak on behalf of the United Kingdom, will not be answerable to this House of Commons. That is a departure from the normal rules of accountability.

The Secretary of State says that the people of Wales are not to be disadvantaged in comparison with the people of Scotland. Where in the White Paper for Wales is the power given for members of the Assembly, or the chairmen of committees of the Assembly, to participate in negotiations of the Council of Ministers, or, when appropriate, to speak on behalf of the United Kingdom? It is not there. There is only an indistinct power to discuss with and consult the UK delegations before they enter the negotiations.

Mr. Rogers: I find it a bit much for a Tory shadow Minister to talk about the representation of Wales in Europe, when a previous Secretary of State for Wales struck a dirty deal with the nationalists so that they could have representation on the Committee of the Regions ahead of the Liberals, simply to keep the Tory Government in power.

Mr. Ancram: I am asking a relevant question. When the Secretary of State made his comment on Tuesday, was he aware of the power that would be given to Ministers of the Scottish Parliament? If so, how does he explain his comment that there will be no disadvantage or difference? Perhaps he would like to respond to that now. I am giving him the chance to do so. If he does not respond, it raises the question—which is central for a balanced constitution—why Wales is once again being treated differently from Scotland. We believe that there should be no devolution. It is incumbent on those proposing devolution to explain the differences, discriminations and discrepancies.

Since Tuesday, I have seen nothing to change my opinion that the proposals are bad for Wales and bad for the United Kingdom. They create an expensive talking shop that will do nothing to improve the lives of the people of Wales. Indeed, they will pay for it, in jobs and services lost. It will set Wales aside from the rest of the United Kingdom, removing its clout in the Government and its voice at Westminster. It will create a focus for discontent, playing into the hands of nationalism and those who wish for the break-up of the United Kingdom.

The White Paper is built on the false premise of strengthening Wales and the United Kingdom, but it will do the opposite. We comprehensively reject it, and we call on the people of Wales to do the same.

10.44 am

Mr. Alan Williams (Swansea, West): I start with a few personal comments. My hon. Friends, with whom I have served in the House for many years, know my opinion on devolution. We have argued about it amicably, and we have lived amicably with our differences. We have differed, and we have remained friends. They know me well enough to accept that if a constituent told me that they believed that Wales needed an Assembly as a focal point for its identity and culture, I would tell them that yes was the only way for them to vote. That is not a matter of evidence, but a matter of belief. There is no proof one way or the other. It is a personal decision.

My hon. Friends also know that I asked for a referendum two years ago. I asked for support in the Welsh Labour group, but the views expressed there were different from mine. I felt that a referendum would give us an opportunity for an open and intelligent debate on issues that are crucial to the long-term future of Wales.

I am not joining the yes campaign, obviously, but I am also not joining the no campaign. I have tried in the past few weeks to help the people who have to make their decision, particularly those who are not yet convinced either way, by obtaining the information necessary for an honest, informed and tolerant debate. That is why I have not done television interviews, but have asked parliamentary questions. I have been trying to get at the facts that the public need to know to make their minds up.

I was vastly reassured by my right hon. Friend the Secretary of State's comment earlier, in response to an intervention, that he greatly values independent-minded Members. I wish that he had not kept it a secret for so long. In the new spirit of consensus and good will that is now being generated, I hope that he will join me in condemning those outside the House who are turning the debate into one based on personal venom and vituperation. No one has been more of a victim of that than my hon. Friend the Member for Blaenau Gwent (Mr. Smith). I hope that the Secretary of State agrees that that must end. I hope that the Minister will take the opportunity to say so when he winds up.

In pursuit of some of the facts that are not always evident, I asked the other day whether the concept was evolving. When voting in a referendum, the public should

[Mr. Alan Williams]

know exactly what they are going to get. In all fairness, the Secretary of State admitted, as the Under-Secretary of State for Wales, my hon. Friend the Member for Neath (Mr. Hain) has said, that the concept would be evolving, and that they would not be involved once the Assembly was set up. He said that any future decision on development would be made by the politicians. If I understood him correctly, he meant the politicians here, not the politicians down there.

I was glad to hear my right hon. Friend's comments about my question on the detailed costing of the Assembly. He said that he gave the information because it was the proper thing to do. I accept that. He may say that the information was not in the White Paper because one has to draw a limit to how much detail one puts in a White Paper. In that case, why did I need to table a parliamentary question?

There is a well established system whereby Ministers who want to get information out plant questions for written answer, so that they have the opportunity to give that information. With only a week to go before the recess, we nearly missed the opportunity. I hope that the Secretary of State will tell us whether there is anything else we need to know that has not yet been made public.

In pursuit of reasoned debate, I was astonished by the demand by the Under-Secretary of State for Wales, my hon. Friend the Member for Neath (Mr. Hain), for a loyalty oath. We are to have a referendum on the future of Wales, yet the Under-Secretary was saying to the people of Wales, "Suspend your powers of judgment. Vote out of blind loyalty." Blind loyalty has had a mixed history in Europe. It has led to some of the greatest acts of heroism, but it was also the most frequently quoted defence at Nuremberg. Blind loyalty has always been the aspiration of zealots and the demand of despots. I hope that we shall hear no more of it.

Mr. Flynn: Will my right hon. Friend give way?

Mr. Williams: I would prefer not to, because time is limited. I do not want to give way, because I want to let my hon. Friends make their own speeches.

Mr. Flynn: Will my right hon. Friend give way on the point about loyalty?

Mr. Williams: I am sorry—I will give way to my hon. Friend.

Mr. Flynn: There was an occasion in Parliament when my right hon. Friend was unjustly sacked from his position as shadow Secretary of State for Wales. One of his colleagues, in an act of personal loyalty, wrote a suicidal note in his favour, and was then himself sacked. Does not my right hon. Friend think that, when we have a courageous Secretary of State who is fighting a brave battle for us all in Wales, his loyalty should go to him?

Mr. Williams: There is a difference. When my hon. Friend did what he did—I have always respected him and appreciated his loyalty—I went to the Leader of the Opposition and asked for and secured his reinstatement. The difference is that my hon. Friend showed loyalty with integrity. The Under-Secretary of State was asking for blind loyalty.

If the debate is to progress sensibly, we must strip away irrelevancies and myths. I tabled a parliamentary question as a result of a statement made by the Under-Secretary of State that thousands of jobs would be lost in Wales if the people of Wales did not vote yes. When challenged in the House by my hon. Friend the Member for Blaenau Gwent (Mr. Smith), he said that that was not what he had said. He claimed that he had said that thousands of jobs would be threatened in Wales. My hon. Friend, however, had the press release issued by the Welsh Office, as did my right hon. Friend the Member for Llanelli (Mr. Davies).

I asked what studies the Department had undertaken on the effect on jobs and investment in Wales of the creation of a Welsh Assembly. The Secretary of State replied:

"None, but my Department is keeping these issues under review."—[*Official Report*, 19 June 1997; Vol. 296, c. 272.]

Why can we not just stick to the facts? Why do we have to fabricate evidence when none exists in support of a case? If a case stands, it stands on its own; we do not need to make statements that have no foundation in reality.

Since the previous referendum, two major factors have influenced public opinion. The first is the 18 years of Tory devastation, and the second is the proliferation of quangos. I take first the greatest myth, which was well-exposed by my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) in an article at the weekend—that somehow, if Wales had had an Assembly in the 1980s, it could have escaped the impact of Thatcherism. If I for one moment thought that that was true, I would not be in a position of dissent. I would be out there campaigning vigorously in favour of the Assembly.

However, when they think about the matter, most of my hon. Friends must realise that the myth is based on incorrect economic and constitutional assumptions. In the White Paper, the Secretary of State makes it clear that macro-economic policy will remain in the hands of central Government. The first Howe Budget would still have destroyed the jobs of Wales, as it destroyed the jobs of England. Even if, by some miracle, Wales had initially escaped the first impact, as the factories closed down in England, the factories in Wales and the steelworks in Wales that supplied them would have closed down as well.

Furthermore, there would have been no escape from the other policies that are associated in Wales with Thatcherism. The Prime Minister has made it clear that, even after this devolution—as would have been the case after the previous devolution if it had taken place—Parliament will be sovereign. Even with nursery vouchers and the poll tax, if a Government in Westminster were determined to impose such policies on Wales, they would be imposed on Wales. That will be the case in future, whether we have the Assembly or not. I am sure that my right hon. Friend the Secretary of State will accept that that is so.

Mr. Ron Davies: This is an important point, which is why I want to take issue with my right hon. Friend on it. I accept his analysis of the economic case. Clearly, the devastation inflicted on this country during the 1980s would have happened whether we had an Assembly or not. I fully endorse that point.

On the latter point about the constitutional question, however, the poll tax as it was constructed was implemented in Wales by means of three separate pages of secondary legislation. My right hon. Friend is correct in his assertion that Parliament is sovereign and that that will continue to be the case. Any Government, if they wanted to implement a poll tax, could implement it. No Government, however, could implement a poll tax in the way in which it was implemented in the 1980s.

If we had had an Assembly in the 1980s and the Government had tried to implement the poll tax in the way they did, there would have been an impact. Either the initial primary legislation would have had to impose a poll tax on Wales or the Government would have had to recognise a different political system in Wales and to decide that it would not proceed.

I entirely accept my right hon. Friend's argument that this House is sovereign. Parliament is sovereign and can always do what it wishes to do. It is my hope, however, that our political systems are not fossilised and that they are capable of growing, maturing and responding to different circumstances. When we have an Assembly, that evolution of our political practices will hasten.

Mr. Williams: I thank my right hon. Friend for conceding my point. If the Government of the day chose to incorporate a poll tax in primary legislation, it would be enacted. I thank him for that clarification.

This matter concerns not only legislation, but the implementation of power and of policy. The Treasury can always ring-fence the money the Budget gives. There is an enormous difference between handing the whole loaf over, handing it over in a couple of pieces, or handing it over in thin slices. That option is always available to the Treasury, as our councils have, unfortunately, found out. The Treasury, even with an Assembly, would still have the capacity to constrict and almost to eliminate any discretion by the Assembly. The Assembly would have been forced to become a council, as it were—an agent of Government policy.

If there had been an Assembly during the Thatcher times or subsequently, the interface with the Cabinet, as the White Paper of my right hon. Friend the Secretary of State makes clear, would still be the Secretary of State. Thus, the Secretary of State would still have been a Tory, and an English Member of Parliament representing an English constituency—and may well be so again. So an Assembly in no way addresses that problem.

Although Parliament is sovereign, as most of us here believe—I know that the hon. Member for Caernarfon (Mr. Wigley) believes this, for perfectly understandable reasons, and will, I think, endorse my point—there can be no escape from another surge of policy such as that enacted by Mrs. Thatcher. I must be careful—I am going on for too long.

Another feature is the quango state. On his white charger, my right hon. Friend the Secretary of State has stood, challenging the quango state. Many hon. Members will accept that it is not vanity to say that, over the past seven years, I have probably done as much as anybody in the House to expose the shortcomings of quangos. Indeed, if I may say to my right hon. Friend, my position is less ambivalent than his. After the first hearing on the Welsh Development Agency, he came to see me in my room to see whether it was essential to have a second hearing—not for any dishonourable reason, but because he felt that the WDA was so important to Wales that we had to try to protect it from damage.

Mr. Flynn: Quite right.

Mr. Williams: Quite right, says my hon. Friend. Quite wrong! As I told my right hon. Friend the Secretary of State at the time—I am not in any way impugning him; he did not dispute this—what was imperative was that the WDA stables had to be seen to have been swept clean, and a second Public Accounts Committee hearing was needed to do that.

As has been suggested already, we were promised a crusade and a bonfire, but all we have had are a couple of burned-out coals. The Residuary Body for Wales was looking after the already completed changeover of local authorities without the White Paper. That is as dead on the ground as anything can get. The death sentence of the Cardiff Bay development corporation was already enshrined even before my right hon. Friend the Secretary of State included it in his White Paper.

My right hon. Friend has quoted the Development Board for Rural Wales and the Land Authority for Wales as quangos that are being abolished. That is a nicety of language. They are being abolished by being force-fed into the WDA. I am not interested in arguing whether it is right or wrong that they should go there, but they still exist. My right hon. Friend says that it is all about power. Well, their powers still exist—it is just that fewer people will exercise more power.

It is the same for hospital trusts. Every year, £3.5 billion is spent by health service bodies in Wales. We are told—again, one has to read the wording carefully—that there will be fewer trusts. That does not mean that there will be any less command at the heights of the NHS in Wales: it just means that there will be a few more mergers. There will be no change in the power or in who exercises it.

My right hon. Friend really gave the game away in an interview in *The Western Mail*, when he said that it was essential that the important quangos were dealt in advance of the Assembly being set up. He was also reported as saying:

"many of the quangos which will survive were small, had a small budget, had little or no economic impact, and were advisory bodies retained by every Government."

Of course they are. He goes on to say that the Government want

"to leave decisions to the Assembly on how it would deal with other quangos."

It does not seem the greatest act of confidence to say that, when it comes to the big ones, they have to deal with them themselves. In fact, one is bound to ask: why bother? Why not do it all ourselves? If my right hon. Friend has the power to deal with the big ones, he has the power to deal with the small ones—just as he can give power to the councils. He does not have to wait for an Assembly to give powers to the councils.

Why should they wait two years? Give it to them now. I do not know whether the Opposition would support the legislation, but I am sure that all of us on the Labour Benches would do so immediately in order to transfer powers to councils.

Mr. Davies: The reason why I am not proposing that is because it is not the policy on which I was elected. The

[Mr. Davies]

Labour party fought the election with a clear prescription to introduce devolution to Wales, and that is what I am now trying to deliver.

On the construction of the economic powerhouse, it was my view—I firmly hold to this—that, if we had said that the power to restructure the quangos would go to the Assembly, and that that power would not be exercised for two and a half or three years, there would be a period of uncertainty during which the work of the WDA, the Land Authority and the DBRW would be hampered by such insecurity. I wanted to prevent that, and to create the powerhouse, ensuring that it had the supporting structure of the training and enterprise councils and so on, so that the work of economic development could proceed. The other matters are properly left to the Assembly.

Mr. Williams: I do not disagree with my right hon. Friend's intention at all. I am just asking why it should be so limited. Why does not he go ahead and do it all himself? Then we would not need to create a permanent 60-member Assembly to do something that he could do in the next 18 months by simple legislation and administrative action.

Mr. Davies *rose—*

Mr. Williams: I am sorry, but I am telling you that your policy is wrong. That is what debate is about—

Mr. Davies *rose—*

Mr. Deputy Speaker: Order. Members on the Treasury Bench will have time to wind up at the end of the debate. There is little point in responding to all the questions and taking time away from Back Benchers who are very anxious to contribute to the debate.

Mr. Williams: One is bound to ask why, if it is so impossible to deal with matters without an Assembly, my right hon. Friend is saying that our right hon. Friend the Deputy Prime Minister, for example, will be unable to achieve many similar objectives in England because he will not have an Assembly. Is he saying that his colleagues are failing in their duties?

I am trying to cut my comments short. I was interested in a written answer a week last Wednesday, in which my right hon. Friend the Secretary of State talked about launching his crusade. He said:

"I shall play a vigorous part in securing a yes vote, along with my right hon. Friend the Prime Minister, other Cabinet colleagues and hon. Members representing constituencies all over the United Kingdom".—[*Official Report*, 16 July 1997; Vol. 298, c. *378*.]

From him of all people, I thought that that was rather a strange proposition. An improbable picture crossed my mind of St. Ron, his white gown flowing, brandishing his manifesto above his head, striding across the Severn bridge backed by a horde of English Members of Parliament. Once again, he is taking the English to Wales to tell us Welsh what is good for us.

11.8 am

Mr. Richard Livsey (Brecon and Radnorshire): I want to make a much more positive speech than did the right hon. Member for Swansea, West (Mr. Williams). I have some respect for him, but I think that he is opening doors that have been open in Wales for centuries. We have not achieved democracy in Wales because our divisions have been exploited by the enemies of Wales who have fed on them. I do not think that we should give succour to those who are negating democracy in Wales.

The White Paper is entitled "A Voice for Wales"; I want to address what kind of voice that should be. I cannot pretend, as a Liberal Democrat, to be entirely in agreement with the total thrust of Government policy, but I think that in this case it brings a very worthy element of democracy to Wales. It is incredible, in view of the democratic deficit in Wales, that the official Opposition question the need for an Assembly.

Why does Wales need an Assembly? Since 1951, the Conservatives have ruled in Wales for 35 years and Labour for 11, yet no Conservative majority has been achieved in Wales in that time—far from it. The Conservatives had a high point in 1979, when 13 Conservative Members were elected to Westminster from Welsh constituencies. Wales has never voted Tory in the past 100 years, yet it has been ruled by them for most of that time. Careful consideration of the arithmetic shows that, between 1897 and 1997, the Tories have been in power for 51 years, Labour for 21, Liberals for 10 and coalitions for 18. In all that time, the Welsh electorate has not voted Conservative.

We have had to stomach policies to which we would never subscribe, and that has culminated in the past 18 years in which we have been marginalised. Four Secretaries of State were imposed on us from English constituencies, like governors of a colony. The 1,400 appointees to some 84 quangos have mainly been Conservative party members. We have been ruled by the Tory party in exile.

Mr. Dominic Grieve (Beaconsfield): The part of the country that I represent has never returned a Labour Member and has had to experience periods of Labour government. If we live in a Union and believe in a United Kingdom, why should that be of concern?

Mr. Livsey: I do not believe that the White Paper is a threat to the Union, and when England gets regional government, those problems will be addressed. The quangos have spent £2.5 billion in an act of political privilege that must be banished. I agree with those who say that the bonfire of the quangos is not big enough, but at least it is a start.

Wales has been ruled by a party that does not practise democracy itself. The Tory party is only now starting to think about giving its members one person, one vote to elect its leader. Only now, in 1997, is the Tory party beginning to practise democracy, yet it lectures us about how Wales should be ruled. We know better, and we have a far better track record of democracy in Wales.

Wales has a great need for democracy. We have 22 local authorities with 1,200 members elected through the ballot box, which is the best way to achieve democracy. The Assembly will extend that. In the 1997 election, not one Conservative was elected to Westminster from Wales. That was the logical outcome of the points that I have made so far.

The Liberal Democrats have no quarrel with the principle of an Assembly, but what should we measure the White Paper's proposals against? An Assembly is

necessary, but the degree of devolution is a matter for debate. We need a debate about the functions of the Assembly, the number of seats it will have and its method of election.

We need to discuss, for example, the degree of proportional representation. We must promote political and geographical inclusiveness, including representation for individual political parties. Gender is also important; the role of women should be given its proper priority in any Welsh Assembly. We must ensure that the electoral system helps to achieve those objectives, and ask how they compare with the model in the White Paper.

Labour's Welsh Assembly will control the Welsh Office budget of £7 billion, but it will not be able to make primary legislation or vary taxes. The Liberal Democrats would prefer that it had powers to do both. Indeed, even the former Welsh Office Minister, Sir Wyn Roberts, has said that he likes the idea of a power to vary taxes, because Wales could then have lower taxes and become a tax haven. We should consider that advantage of tax-varying powers, but they are not on offer in the White Paper.

The legislation presaged in the White Paper would bring greater accountability to Wales, and we welcome that. The Welsh Assembly will have secondary legislation powers, but they could be stronger. No doubt in time devolution will strengthen those powers. The functions of the Assembly will reflect those of the Welsh Office, including powers over education. The Secretary of State mentioned nursery vouchers. Most Welsh local authorities had more than 90 per cent. of their children in nursery education when nursery vouchers were forced on us. That is why they were nonsense. We need to discuss powers over transport, agriculture, the environment and industry.

I have always been intrigued by the fact that powers over transport in Wales, especially the railways, have been exercised by the Secretary of State for Transport. I hope that the Minister will explain that when he sums up. I have always felt frustrated that we have not been able to influence transport policy sufficiently and I hope that the Minister will explain the powers that the Welsh Assembly will have over transport.

It is logical that powers over foreign affairs, macro-economics, defence, taxation and social security should remain at Westminster. Primary legislation powers will also, for the moment, remain at Westminster. I hesitate to raise the issues of the police and broadcasting. I do not understand why broadcasting is outside the remit of the Welsh Assembly, because there is a strong case for bringing it in. We want strong local government, and the Secretary of State has emphasised that he will not take powers from local government. He will be held to account for that statement in future years, and I trust that he means what he says and that local government will be strengthened by the transfer of powers from the quangos.

Local government has had a rough time in recent years, and many able people have not thought it worth their while to stand for election to local government. Local councillors have been like eunuchs, who were mentioned by the right hon. Member for Devizes (Mr. Ancram) in a different context, because the Conservatives took so many powers from local councils.

Another matter I wish to address is the number of seats in the Assembly. We know that the Labour party started out with a model of 80 seats for the Assembly, but that figure has now been whittled down to 60, which does not enable a good enough system of proportional representation to be put in place. That will be the subject of substantial debate later on, when we achieve a yes vote.

There is a case for having more seats elected by PR: it has been calculated that the correct ratio of seats would be 40 elected directly to 35 elected by PR. That would give the Assembly much better proportionality in terms of geography, political party and gender. If the inclusiveness that has been spoken of is not merely rhetoric, but sincerely meant, the principle would be better served by having more seats in the Assembly.

The reception of the White Paper in Wales has been interesting. It provides much food for thought and, as its implications are digested, there is a gathering enthusiasm for it. However, recognition of the issue of rural Wales is important. After the announcement of the economic powerhouse, with the demise of the Development Board for Rural Wales, there was a feeling of great unease in mid-Wales. Welsh Office Ministers would be well advised to continue doing what the Under–Secretary of State, the hon. Member for Neath (Mr. Hain), started to do in his instructions and address to the staff of the DBRW at the Royal Welsh show in my constituency this week. He has started well, and I am sure that he will take on board the DBRW's concerns and translate them into positive action to ensure that rural Wales is properly administered in terms of economic development. I know that he wants to do that, but a great deal of work is required.

The powerhouse Welsh Development Agency proposals for four divisions really split rural Wales. I am sure that the Under-Secretary will have noticed that, this week at the Royal Welsh show, the Institute of Welsh Affairs announced a paper relating to the reform of the common agricultural policy and the problems of rural areas. We know that the objective 5b areas will suffer a demise by 1999 and that objective 2 is being introduced. That needs special attention. The Institute of Welsh Affairs has stated clearly that there is a need for a rural development agency, and on Wednesday it repeated that such an agency was needed over and above the proposed four divisions of the powerhouse agency.

The Government should not be afraid to devolve power within Wales. They are right to have a policy that devolves power from Westminster to Wales. Given the difficult infrastructure within Wales, although some of the problems can be overcome by using information technology, I am sure that the Government will recognise the need to devolve powers within Wales, and they should not be afraid of doing so.

Mr. Martin Caton (Gower): The hon. Gentleman surely knows better than anyone that the Development Board for Rural Wales has not served all of rural Wales, but only mid-Wales. As an observer of its work, I have been impressed, but also jealous that we in rural areas not covered by the DBRW did not benefit from that service. It is to be hoped that the new powerhouse agency, with its rural function, will ensure that we get the same quality of service as other rural parts of Wales.

Mr. Livsey: I am pleased to hear the hon. Member for Gower (Mr. Caton) supporting the ideas and principles of the DBRW. Sadly that was not the historical view of representatives of Carmarthenshire, Pembrokeshire and

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some of the counties of north Wales when the DBRW was formed. They did not want to join it, but the DBRW's track record proves that it has exercised its powers successfully, and that is a reason for reform. The DBRW was pushed by past Liberal and Labour Members of Parliament: Jim Griffiths, the first Secretary of State for Wales, was very keen, as was Cledwyn Hughes, another Secretary of State for Wales, along with Emlyn Hooson, Peter Garbett Edwards of the board and, of course, Emrys Roberts.

We must not forget that the DBRW was brought into being because of 100 years of depopulation in rural Wales, which was a serious problem. Five local authorities in central Wales agreed, so the DBRW was formed. The Highlands and Islands development board in Scotland was founded for similar reasons. I do not know what is to happen in Scotland but, given that the Highlands and Islands development board area has objective 1 status, I would guess that it will remain. In terms of policy and recognition—especially within the European Union—that has a kick back to Wales.

The whole topic needs careful consideration. I do not want a rural committee of the Welsh Assembly to be set up only to find that many of the decisions that it should address have been set in concrete before it can debate them. That is a somewhat worrying prospect.

Youth depopulation in rural Wales continues to be a problem. In many of the rural counties, elderly people over the age of 65 constitute 22 per cent. to 25 per cent. of the population. The new problem in rural Wales is one of population exchange; young people leave and older people come in, resulting in an imbalance of economically active people. That needs to be addressed.

In many parts of rural Wales, up to 25 per cent. of the population are involved in agriculture, either directly or indirectly. Reform of the common agricultural policy will therefore be a major issue over the next five years. In the past 10 days, the President of the European Commission, Jacques Santer, has issued an agenda 2000 paper that contains serious problems for areas such as rural Wales.

As Liberal Democrats, we believe that there is a need for a Welsh Assembly. The rejection of the Tory agenda at the last general election means that they are disqualified from telling us what to do. The status quo went out at that election. The Liberal Democrats would go further than Labour's proposals, but we regard them as an interim measure and a useful step towards a better governed Wales. There is a philosophical chasm between the parties who were elected to represent Wales on 1 May and the Tories who were chucked out. The voice of Wales has been heard, and I believe that it will endorsed on 18 September by a resounding yes vote.

11.28 am

Mr. Denzil Davies (Llanelli): Like my right hon. Friend the Member for Swansea, West (Mr. Williams), I hope that, now that the White Paper has been published, and in the short time available between now and the referendum, we can have a reasonably balanced debate. Until now, the debate outside this place has been mainly characterised by verbal abuse, and I am sorry to say that most of that abuse has come from members of what is described as the yes campaign.

The case for an Assembly and for the White Paper is, as my right hon. Friend the Secretary of State has said, a case for better democracy in the governance of Wales. My right hon. Friend went a bit far when he implied that democracy and cronyism do not sometimes lie together. A long time ago, I spent two years at the university of Chicago, where Mayor Daley—a true Democrat—was in charge of that great city. He would not have subscribed to my right hon. Friend's view. It is possible to say also that Tammany hall was a product of democracy.

The argument is, as it was in 1979, for better democracy in the governance of Wales and in fulfilling the functions presently carried out by the Welsh Office and by the quango state. If it stopped there, it would be easy—we are all in favour of democracy—but it does not. There are constitutional consequences, be they good or bad, of having a Welsh Assembly. There are consequences for the position of Wales in Britain which go beyond the arguments about democracy.

It is necessary—I hope that people will do this—to balance improvements in Welsh democracy with the constitutional consequences for Wales. The referendum was lost in 1979 because the Welsh people were not sufficiently convinced of the benefits of democracy when set against their real fears of the consequences for Wales within Britain. These proposals are not so different, although they go further in some respects because of the need for greater democracy.

There will be changes in the relationship between Wales and Britain. My right hon. Friend the Secretary of State says that sovereignty will remain in Westminster, and of course it will. He also says that those matters will evolve. Legal sovereignty can remain as a shell while the political realities move ahead, and there are examples in history of that. If we have an Assembly, a new generation of Welsh people will look less to the political institutions of Britain and more towards the new institutions that we are creating in Wales.

My generation is very loyal to our language and culture, but we tend to look towards Britain and its institutions, including this House of Commons. Previous generations did the same, and perhaps the next generation after ours will also do the same but, if we make this change, future generations will look less to Britain and more towards the institutions of Wales. The House of Commons will become less important in the life of Wales—that is the reality. It is not a question of arid legal sovereignty, as the Scottish White Paper shows clearly.

The Scottish White Paper goes further—I accept that—and comes to the conclusion that there should be fewer Scottish Members in this House. That is supposed to address the West Lothian question—although it does not—which does not apply in Wales. It is an attempt to address the point that, once Scottish legislation is taken away, Scottish Members will have less to do in this House. I am not advocating that the number of Welsh Members should be reduced because the Welsh proposals do not go as far as those for Scotland, but this House and its Members will become less important in Wales as a result of the changes. That is a constitutional and practical fact.

The other day, I was successful in acquiring an Adjournment debate on the finances of the Dyfed Powys health authority, to which the Under-Secretary of State for Wales, my hon. Friend the Member for Bridgend

(Mr. Griffiths), replied so well—as he always does. I do not want to make a niggling point but, in future, such a debate would not take place here because the Minister would not be accountable—assuming that he was still a Minister, which he probably would not be, although through no fault of his own—for the finances of the Dyfed Powys health authority. Accountability would lie where the money was—at the Welsh Assembly.

I am making a trite observation, but a host of matters—health, education, transport and others—will go from here. We may still have Welsh Questions, but other matters will go to the Assembly, and Wales will look less to us and to the institutions of Britain. There will be a constitutional shift. It may not seem to be a seismic shift, but it is a shift that we have to recognise and either reject or accept, depending on our point of view.

I am sorry to bring the subject of Europe into the debate, but there is a difference with 1979. Europe was not such an issue in 1979. Over the past few years, I have detected that Welsh politicians have looked far more to Europe than they did during the 1979 referendum. Indeed, the Welsh chattering classes—*[Interruption.]* They do exist, and I could tell the House where they live. I can see some of them when I look around this Chamber. However, I am referring to a different breed of Welsh chattering class, which lives in Wales. The Welsh chattering classes are very keen on Wales in Europe. They write learned articles and books about a new kind of sub-tribe known as "Welsh Europeans". We know where they live, as well.

The Welsh Europeans are a new group—they are not Welsh British. Britain is seen as a declining entity. I see some of my hon. Friends nodding at that. The European factor was not an issue in 1979. The gaze of the Welsh political establishment—and, perhaps, of a minority in Welsh society—has moved away from British institutions and towards Europe. Wales is seen as a European nation, and I shall come to the hon. Member for Caernarfon (Mr. Wigley) and his party in a moment. They believe that, as the British nation is controlled by the 'orrible English, we must look to Europe.

The Welsh-European project, as I like to call it, is not just a project of the hon. Member for Caernarfon and his hon. Friends. If it were so, one would not refer to it, as his party is a fringe group. The project of looking to Europe rather than to Britain has reached even the highest echelons of the Labour party in Wales. Those concerned are still a minority, but a pretty influential one.

We must add to the situation the mirror-image in Scotland. The Scottish Parliament will be more powerful and will look even less to the House of Commons and to Britain. Scotland also will look more towards Europe than Wales will because of its history, its legal system and its connection with Europe.

When we put all those factors together, if we go through with devolution, we shall see that it is a question not of sovereignty, but, if I may use corporate jargon, of a substantial unbundling of the British unitary state—or, as *The Guardian* now describes it, the "British state". Sovereignty can reside here, and of course it will, but devolution is bound to lead to the unbundling of the present unitary state. We must ask ourselves again, in a reasoned way, whether that is to the benefit of Wales.

The unbundling of the British state does not just mean that Wales will be loosened from England; it means that England will be loosened from Wales. That is not often mentioned in our debates, but the relationship between Wales and England will change. Mr. Gwynfor Evans, who used to be leader of Plaid Cymru and Member of Parliament for the constituency next to mine, used to say that a federal system was not suitable for Britain. His main reason for saying that was that England was too large, relative to Scotland and Wales, to create a federal system.

I did not often agree with Mr. Evans, whom I respected as a patriot and a very learned man, but I believe that he was right about that. He then argued—I did not agree with this—for a kind of confidence in the European Union, in the days before the European Union, when even Plaid Cymru had decided that it would be in favour of it.

However, as we see the unbundling of Britain, we shall see a semi-federal Britain, with England becoming increasingly conscious of itself, as Wales and Scotland become more and more conscious of themselves. To use again some corporate managerial language, the relationships between those countries will take on a new transparency. What worries me is that the new transparency may have a bad effect on Wales, which is by far the poorest country of the three that make up Britain.

I should like to mention public expenditure, although I know that it is boring. I do not want the hon. Member for Caernarfon jumping up, because I shall not give way to him. I have heard his arguments on this subject and they are pretty poor.

Mr. Wigley: We have heard yours, too.

Mr. Davies: The two of us can sit down and discuss this matter on another occasion.

Wales does not raise enough taxation to finance its present level of public expenditure. Indeed, the gap is £5 billion to £6 billion every year.

Mr. Wigley: What a load of rubbish.

Mr. Davies: Those figures are produced by the Welsh Office. The hon. Gentleman is a friend of my right hon. Friend the Secretary of State and has had several dinners and discussions with him.

May I put this matter in context? I hate to bring up the Maastricht treaty, but this means a borrowing requirement of 15 per cent. of GDP, which no country in the western world could sustain. Wales therefore is in an extremely difficult position. Scotland may not be in the same position and is perhaps able to balance its books, but £5 billion to £6 billion each year have to be transferred to Wales from the British state.

My right hon. Friend the Secretary of State is worried enough to set out in the White Paper what is called "the Barnett formula", which has now taken on great importance. I am second to none in my respect for my former Treasury colleague, Lord Barnett. The formula existed even before he put his name to it. The implication is that the formula will somehow protect Wales in terms of public expenditure.

Frankly, I do not believe that such a formula can survive for long the unbundling of Britain, because it is the consequence of a unitary state. It could not survive a semi-federal system with far greater transparency and with each constituent nation of that system looking at

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matters much more closely. I refer particularly to England, because the money comes only from England, not from Scotland or Ireland.

The Barnett formula is not entrenched in legislation; it is only a formula. Actually, it is only a rule of thumb to make matters easier for Chief Secretaries. It could probably be changed by a Chancellor, and certainly by a Cabinet. What kind of Cabinet would it be? Would it include the Secretary of State for Scotland? My hon. Friend the Member for Linlithgow (Mr. Dalyell) is not here. If he were, he may have been able to tell us. Over the past six to nine months, I have been diligently reading *The Scotsman* and the *Glasgow Herald*, as it used to be called, and I am not sure whether there would be a Secretary of State for Scotland for long under the new arrangements. He might be there, but sitting just inside the door.

Foreseeing that problem the other day, one Scottish academic suggested that the Secretary of State should now be called the Secretary of State for territorial areas—shades almost of colonialism there—to protect the smaller British nations against the dreadful English. He suggested that the Secretary of State for territorial areas should be Scottish, but such a suggestion is only natural coming from somebody in Scotland. My right hon. Friend the Secretary of State for Wales would be in the Cabinet, although perhaps close to the table. We are not sure how much power he would have. I have no doubt that he would fight hard for Wales, as he always does. It would be a mostly English Cabinet, rather than the current Cabinet with a unitary British state.

I fear for Wales as a small country that cannot, in those circumstances, defend itself. The Scots may be able to cope—we know that the English can—but the Welsh will have lost much of their power. What happens if the Barnett formula is thrown overboard with the new fashion of balancing budgets, and of putting bankers in charge of stability of public finances? Would the funding gap be allowed to remain? I should be surprised if it would. Who would protect Wales and my constituents?

Mr. Martyn Jones: We would.

Mr. Davies: The Welsh are marvellous people, but the English are ruthless. When a country starts to look solely at its own interests, it tends to become ruthless, but let us not pursue that argument now. I fear for Wales and I am entitled to do so, and those matters must be debated and considered.

Against all those problems we must set the democratic benefits of the White Paper. My right hon. Friend the Secretary of State has been extremely bold with regard to the Welsh Office. I did not believe that he would do so, but he has almost put himself out of a job. Not many people in this insecure, global economy would deliberately put themselves out of a job, although he has not quite done so. He is still just inside the Cabinet Room sitting at a little desk—whether he is sitting at the table, I do not know—and he has transferred powers, which are no longer debated, to a Welsh Assembly.

Having paid my right hon. Friend that compliment, a blow punch is coming: he has been extremely weak on quangos. I did not say that there should be a bonfire of quangos—I did not know what that meant—because quangos perform a useful function, which must be carried out by somebody. If by "a bonfire of quangos", he meant a bonfire of the boards of quangos, I would be with him. However, he did not mean that. Yet, as I understand it from a newspaper article, he agreed that that could be done by this House. Of course it could. The boards of the 10 or 11 major executive quangos could be abolished through the devolution Bill.

We are told that this House is still sovereign in those matters, so why on earth should not the boards of the quangos be abolished and their functions performed by the new Assembly's committees? I do not understand why that cannot be done by legislation in this sovereign Parliament. I am sure that it could and should be done, but I am sorry to say that my right hon. Friend has run away from it. I do not know why he has run away. We have heard various reasons, such as that it will be done by the Assembly—but the Assembly will not have primary legislation powers. What about those terrible royal charters? People say, "Oh, you can't touch royal charters." Of course we can—we can do anything we like in this place. My right hon. Friend has accepted that.

My right hon. Friend has missed a great opportunity to reform the quango state in Wales and to do it now. Sadly and unfortunately, the Welsh establishment—I shall not call it the chattering classes—still has its bottom firmly on the Consolidated Fund of quangos, drawing its money.

It is a balancing act, and it forms the basis of the debates that I hope that we shall have over the next month to six weeks. On the one hand is greater democracy, but on the other is the change in the constitutional relationship between Wales and Britain and, perhaps more importantly, between England and Wales.

11.51 am

Mr. Ieuan Wyn Jones (Ynys Môn): I listened with great care, as I always do, to the speech of the right hon. Member for Llanelli (Mr. Davies). His speeches are often intelligent, informative and coherent—but today was not one of his best efforts.

Mr. John M. Taylor (Solihull): Oh, yes, it was.

Mr. Jones: All the nods of assent come from the Tory Benches.

The right hon. Member for Llanelli comes from a fine tradition in Welsh politics. The problem is that he has failed to recognise the Wales of 1997; he has recognised, possibly, the Wales of 1979. The debate has moved forward considerably since then. He represents—it is an honourable position for him, although I disagree with it fundamentally—the opinion that sovereignty resides in one place and one place alone. He must accept that, since 1979, sovereignty has moved. He may not like that, but it has happened. Indeed, it has moved fundamentally. We need to ensure that people's participation in democracy is at the appropriate level for them. All we are doing when talking about constitutional change to Wales is completing the picture.

When I put that point to the Prime Minister on his return from Amsterdam, he acknowledged that power must shift and be as close to the people as possible. We recognise that power has gone to the European Union in certain areas, but Members on both sides of the House

must also recognise that people have been alienated from the democratic process to such an extent that a whole generation of young people have not voted since 1979. They have a right to be heard, and they will be heard when the referendum comes in September.

We have heard speeches from two long-standing Labour Members highlighting the shortcomings of the White Paper and reaching one conclusion. I come to the debate from another direction. I acknowledge that there are shortcomings in the White Paper, but it is fair to point out that the Secretary of State announced his proposals for Wales on the basis that he was looking for inclusive politics. He wanted to ensure that all the Members voted in by the people of Wales on 1 May were part of a constructive debate.

My party has made it perfectly clear that it wants to be part of a constructive debate. The Secretary of State and his colleagues are aware of our view that this is an historic opportunity for Wales to achieve a measure of democratic accountability the like of which our country has never before seen. We want a much stronger body—we make no bones about that; it is our stated position—a body similar to that proposed for Scotland.

Mr. Shepherd: The secession party.

Mr. Jones: It is not the secession party. I have never argued for separation and I never will. I want that to be on the record. I believe that the relationship between Wales and the remainder of the United Kingdom and the European Union must be considered positively and constructively.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): Will the hon. Gentleman give way?

Mr. Jones: No, I am not giving way. [HON. MEMBERS: "Give way."] What I find rather strange in the context of this debate is the alliance between certain Labour Members and Conservative Members.

Mr. Shepherd: A British alliance.

Mr. Jones: There was a message to the Conservative party on 1 May when the Welsh people spoke. They rejected the Conservative party—

Mr. Evans: How well did you do?

Mr. Jones: I have never seen Ribble Valley on the map of Wales.

We must examine carefully the relationship between what is contained in the White Paper and the future as we see it for Wales. There is an opportunity for us to have, for the first time, a Welsh-elected body. Although it will have the powers that we would wish it to have, it will be a body that will be able to speak for Wales.

I recognise that the White Paper makes a significant commitment to the strengthening of Wales's relationship with Europe, and that is important. It is a concept that is of interest to a great many and not only to academics. Farmers and others living in rural Wales want Wales to have a clear voice within the institutions of Europe, and within the next three years there will be significant changes to that economy.

We recognise that support is given to our farmers and agriculture generally through the European Union and the common agricultural policy. We recognise also that there will be changes to the way in which the common agricultural policy operates, and we must remember that they will have profound implications for the rural economy. It is right in the context of the forthcoming changes that a Welsh voice is heard clearly. I agree with the point made by the Secretary of State in reply to an intervention from my hon. Friend the Member for Caernarfon (Mr. Wigley), that we shall be seeing Welsh influence for the first time and in a clear way in the institutions of Europe.

The hon. Member for Brecon and Radnorshire (Mr. Livsey) made a third point about structural funding, which is an important part of sustaining the rural economy. I think that we all agree that the rural economy is fragile. I certainly agree with the right hon. Member for Llanelli about that. It is an economy that needs to be supported. At the same time, we must remember the contribution that structural funds make to defending the rural economy. It is vital in the context of future changes that there is a strong and clear Welsh voice in the institutions of the EU.

Mr. Llew Smith (Blaenau Gwent): Will the hon. Gentleman give way?

Mr. Jones: The hon. Gentleman will have an opportunity to make his own speech. A very long article of his was printed in yesterday's edition of the *Western Mail*. I am sure that he will have other opportunities to contribute to the debate.

Any Welsh elected body needs to be an inclusive body. It needs to include shades of opinion that are reflected in the House, even with members of the Conservative party standing for election to the Assembly. One of the most remarkable statements that I have heard from the Conservative Front Bench, as the Conservative party joins the no campaign, is that Conservatives will be standing for the Assembly. Of course they will, once the Assembly or whatever it is called is set up. It is right that they will be standing for such a body. As I have said, it is a body that should reflect all shades of political opinion in Wales. It is important that it is inclusive.

The proportional element that is included in the voting system is important. I recognise that what is proposed does not go as far as the Liberal Democrats or Plaid Cymru would want, but an important statement about the nature of inclusive politics has been heralded by Welsh Office Ministers, and they should be complimented on that.

The establishment of regional committees is an important recognition of the fact that different parts of Wales have different needs. Within an inclusive body, there may be different priorities for different parts of Wales. There may be different views about different things. The regional committees will provide an opportunity for various parts of Wales, whether it be the north or the west, to scrutinise more effectively the work of various bodies. That will be a considerable step forward.

It is important that we recognise that, if Wales does not take the opportunity to move ahead, it will be left behind. I do not recognise the dangers that are put forward by

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those who sit on the Opposition Front Bench. We hear what they say about the disaster that will befall Wales if the people vote yes on 18 September. I recognise, however, a Wales that could be left behind. It is obvious to me that the Scots will vote for a Parliament. I cannot conceive of a position where the people of London would not vote for a regional assembly. Once there is a regional body in London, I cannot conceive of the people of the north-west or north-east of England not wanting their own regional assemblies. What is the future for Wales in that context? Wales has a real opportunity to begin the process of constitutional change. My party will, as ever, play a constructive part in that debate.

12.4 pm

Mr. Donald Anderson (Swansea, East): I follow the hon. Member for Ynys Môn (Mr. Jones) in saying that this is an historic day for Wales. To try to assess its significance and to find a precedent, I refer to the debates in 1831 on the eve of the Reform Act 1832. The Whigs were on one side and the Tories were on the other. For the Whigs, Grey said:

"The right of the people is to good government."

Wellington, replying for the Conservative Government, said that he was

"totally unprepared with any plan"

for parliamentary reform, and added that

"he would go further, and say that he had never . . . heard of any measure . . . which could in any degree satisfy his mind that the state of the representation could be improved, or be rendered more satisfactory to the country at large. . . . He was fully convinced that the country possessed at the present moment a legislature which answered all the good purposes of legislation, and this to a greater degree than any legislature ever had answered in any country whatever. . . . He would go still further and say that if at the present moment he had imposed upon him the duty of forming a legislature of any country . . . he did not mean to assert that he could form such a legislature as they possessed now, for the nature of man was incapable of reaching such excellence".

That change came 1832 after the great Wig victory, and the change now is 1997 after the great Labour victory. The equivalent of Old Sarum and the rotten boroughs before the reforms of 1832 is the quangocracy that was built upon and used by the Conservative Government.

Mr. Rowlands: I remind my hon. Friend that the 1831 Reform Bill led to the Merthyr riots, when the vast majority of working-class people in Merthyr found that they were not included in the Bill.

Mr. Anderson: It was the start of a process of reform that led to the present position. Opposition Members may have been on the side of the Tories in 1831, but I would have been on the side of the Whigs. Certainly the people of Wales would have been on the side of the Whigs in that debate on the great Reform Act 1832, and they have shown where they stand now by electing parties that support devolution.

I support with excitement what the Secretary of State said. I broadly support his propositions on greater democracy, accountability and greater inclusiveness in the Welsh political system. Of course we shall argue about details, but the essential debate is about whether we want progress and greater accountability in Wales—and this is the only show in town—or whether we want to keep the present system of quangocracy that has stifled movement towards a greater Welsh identity.

The Conservatives follow Wellington, as they did in 1831, and apparently believe that our system has achieved such a plateau of perfection that we cannot move forward. That was their position then, and it is their position now: the status quo and no further. If, as seems likely, Wales votes for reform, it will be interesting to see whether Conservatives Members adjust their position.

I also follow the hon. Member for Ynys Môn in saying that sovereignty now is a different concept from what it was in the latter part of the 19th century in the writings of Dicey and others. Sovereignty is now shared. At the time when Dicey was elaborating his own position of sovereignty, who would have thought that we would choose to give up sovereignty to NATO in a key area such as defence? Who would have thought that sovereignty would now be shared at different tiers, with some sovereignty going to European institutions, some to Westminster and a proposed degree of shared sovereignty at regional level?

So I welcome what the Secretary of State has said. I do so as a member of what was called in the 1970s the gang of six. Six members of my party echoed dissent and worked against the then proposals for devolution, for some good and some bad reasons. Much has changed since then, as I shall attempt to show. Three members of the gang of six—Fred Evans, Ioan Evans and Ifor Davies—have since died. Leo Abse recently celebrated his 80th birthday. There was another man called Neil Kinnock—I am not sure where he is now. I remain as the sole representative in the House of that group. I have changed my views, and I want to tell the House why.

First, I believe that Governments should be accountable. I believe in the dispersal of power, one key feature of which is some greater move towards regionalism. The record of the Thatcher Administration was one of centralisation and of removing the intermediary bodies—the corps intermédiare—which acted as a diffusing structure between Westminster, Whitehall and the people. Mrs. Thatcher was, for me and for many in Wales, the great persuader. We saw the elimination or neutering of some of the bodies that stood between the state and the citizen such as local government and the trade unions. The Greater London council was abolished. The Government even made attacks on the BBC.

Regional assemblies are healthy in themselves and allow the proper expression of local views. They are a healthy check on Governments, as they are in Europe. It is Europe which is the second persuader. As my right hon. Friend the Member for Llanelli (Mr. Davies) properly said, in 1979 Europe hardly figured in the debate. There are two elements to the European dimension. One is the vitality of the European regions. We in Wales talk of linkage with the motor regions of Europe. Catalonia, Rhône-Alpes, Lombardy and so on all have the vitality

that an elected Assembly brings. We cannot have proper linkage with those regions unless we have an Assembly. I also think of the Atlantic arc.

Mr. Rogers: Does my hon. Friend accept that what is proposed in the White Paper is not what exists in Spain and Catalonia? The autonomous committees in Spain have political and financial autonomy, and legislative powers.

Mr. Anderson: There is no exact precedent, but each of our European partners has a degree of regionalism that we do not have. For example, in Spain there is devolution a la carte. Catalonia has a degree of autonomy that Valencia has not, because there is greater demand for it. In Germany, Saxony and other lander may push for greater control under the constitution. There are other examples. My hon. Friend cannot dispute that there is greater healthy and vital regionalism in all our partner countries. Yet Catalonia is still an essential part of Spain.

The second element is the maximisation of Welsh impact at Brussels level. Time presses, so I shall simply commend to my right hon. Friend the Secretary of State the report recently published by the Institute of Welsh Affairs, which suggested various means by which we in Wales could seek to maximise our impact. Many of those suggestions are covered in the White Paper.

The third element is the threats to and the importance of Welsh identity. The Welsh culture should be encouraged, not eliminated. The White Paper provides for that by its inclusive theme. The electoral system of proportional representation will ensure a greater coming together within Wales. I hear what the Opposition say about the Assembly being based on the Euro-constituencies, which may be abolished, but that is a quibble. The essence of the Euro-constituencies is that they are an agglomeration of Westminster seats, and remain so whatever the pattern of future European elections. I am pleased about that, and also about the regional committees within the Assembly's proposed structure.

Increasingly, an imbalance has developed within the Welsh economic and social structure in which the south-east in relation to the rest of Wales occupies a position not unlike that of the south-east of England in relation to the rest of England. The Welsh regional committees within the Assembly structure could help to counter that imbalance. The effect of the Tories' attachment to the status quo is to separate them decisively from the prevailing mood in Wales.

I shall end on two general and fundamental points. I could make many detailed criticisms of the proposals, in the same way as I criticised proposals in the 1970s. I could raise bogeys such as the Welsh language and north against the south. The right hon. Member for Devizes (Mr. Ancram) demeaned himself by seeking to do that. I have more faith in the good sense of the Welsh people.

The essence of the Tory claim is that the proposals could lead to the fragmentation of the United Kingdom. Who can forget the Tory platform at the general election? They were little Englanders abroad and the English national party at home. It is clear that our European partner countries practise a regionalism that has not led to their fragmentation. It is wholly patronising to tell the Welsh people that we do not have the political sophistication that allows the people of Germany, France and Spain vital regional assemblies that do not lead to the dissolution of the sovereignty of those countries.

In the United Kingdom, alas, we do not plan our constitutional changes. We drift, or we walk crablike, along the path of constitutional change. The proposals for Wales can only be an interim constitutional settlement. The English problem—that is to say, the size of England in terms of a possible federation—will remain.

Mr. Grieve: Will the hon. Gentleman give way?

Mr. Anderson: No, I must press on.

Eventually, we shall have to recast the United Kingdom as a whole, and perhaps move to a quasi-federal state, but that is not a matter for today's debate. The proposals are welcome, but only as a first step. In Tuesday's exchanges on the White Paper, my right hon. Friend the Member for Swansea, West (Mr. Williams) spoke about a mystery tour. Any new constitutional advance can be a sort of mystery tour. When we joined the European Union, no one could say with certainty what lay at the end of the road, but to use such an argument is to speak against change in itself.

I recall the fine story of a Welsh mystery tour by bus from Cwmrhydyceirw in my constituency. There was a sweep about where the tour would end, and it is said that the driver won. The people of Wales are driving this mystery tour. They will decide the pace and the direction, and I have confidence in our people.

12.18 pm

Mr. Andrew Rowe (Faversham and Mid-Kent): I have been asked to be brief, and I shall therefore confine myself to one topic and shall not go into the details of the proposal.

I congratulate the Secretary of State for Wales and the Government on their tactical skill. They have taken advantage of the notorious lack of public interest in the details of government and have used their huge temporary majority to impose a dangerous deception on the people of England. How can the Government claim that their current proposals are of interest only to the 15 per cent. or so of the electorate to be found within the boundaries of Scotland and Wales?

The Prime Minister's preface to the White Paper makes the Government's strategy entirely clear: there is to be a Welsh Assembly, a Scottish Parliament, an elected mayor and new strategic authority for London, more accountability in the regions of England, and a referendum on the voting system for the House of Commons. The key point from all this is that the people of England are directly affected by the Welsh and Scottish proposals, and the people of England should be part of the referendum.

Mr. Grieve: Has my hon. Friend noted how, in the Scottish White Paper on devolution, the word "England" does not feature? The future of this country is apparently a new entity called Wales, Scotland and the regions.

Mr. Rowe: That is part of my concern.

Because the proposals directly affect the way in which the United Kingdom Parliament works, it is an obscenity that we in England should have no part in the referendums. The proposals affect the powers and the position of a UK Cabinet Minister—in fact, in relation to

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Scotland, they affect the position of more than one. They affect the accountability and scrutiny powers of the UK Parliament.

It seems probable, if the Welsh vote for the proposal, that the proposals will, for example, affect the size of the social security bill. If the Assembly is given powers to alter the uniform business rate, it may adopt policies that will lead to some companies leaving Wales, thus putting up the social security bill—which will, of course, be met from the UK Parliament.

The proposals change the electoral system in the UK, with the clear intention of ultimately changing it throughout the nation, yet the English are to have no say in the proposals. The Government cannot take the first effectively irreversible steps along a road that will for ever change the way in which the UK Parliament works and base their claim to public support on a referendum from which some 85 per cent. of the electorate are excluded.

It is clever, all right, in a tactical, short-term, anything-for-a-Labour victory way, which is the hallmark of the Government, but it is potentially lethal. It will create a slow-burn, long-term anger and division, which could tear the United Kingdom apart.

I confess that I do not know yet exactly where I stand on all the ramifications of the proposals—but nor, of course, do the Government. The White Paper is shot through with concordats to be published later, reviews on local taxation and capping powers, and compacts with the voluntary sector, for example. As one of the Secretary of State's colleagues, the right hon. Member for Swansea, West (Mr. Williams), so eloquently put it, we are being asked to join "a mystery tour" whose destination remains unknown, even to its promoters.

In election after election, almost all UK parties have campaigned on the belief that most people, faced with a choice between peace and prosperity, and the impoverishment that follows blind support for atavistic prejudice, will choose the former. In one part of the UK, as the new Government are learning daily, that is already not the case.

I confess to being somewhat frightened now about the rest of the United Kingdom. In its mad rush to reshape this nation root and branch, will new Labour unleash nationalistic forces that the Union has traditionally kept under control for centuries, to the benefit of us all, and find itself eventually unable to control them? The strategists of new Labour may be offering my party a poisoned chalice. They are creating the conditions in which a Conservative party, already in some danger of an exaggerated fear of the European Union, could seek populist advantage in fuelling English nationalism.

I pray that we shall resist any such temptation—for we can see in one part of the United Kingdom how hard it is to set such emotions at rest once they have been aroused. I believe that the Labour Government are setting the scene for a similar scenario by refusing the English any say in these momentous decisions.

New Labour's insouciant willingness to accept that it does not know how its revolution will eventually develop chills my blood. If London has an elected mayor, will Manchester, Birmingham, Liverpool and York be prepared to do without? What are the implications for English local authorities? If the Welsh Assembly or the Scottish Parliament—which are unaccountable to the United Kingdom Parliament in any serious way—take decisions that result in higher costs, will England and Northern Ireland be willing to pay for them?

If the Government think that they will be allowed to rely in future on Scottish or Welsh Members of Parliament to shape the education service in Kent, they will ignite an anger that will eventually impoverish us all.

I do not claim that there should be no change in our electoral or government arrangements. A world in which the economy is global, competition is fierce and universal, capital free to move where it will, and massive trading blocks dominate, demands that we change our arrangements. However, I object to the arrogance and the speed with which the Government have moved, and to their extraordinary assumption that the English and the Northern Irish should have nothing to say in the fundamental referendums to be held in six weeks.

The Government seem to believe that regional referendums in England are all that the English require. In my view, they are absolutely wrong. If Scotland votes for a Parliament and Wales for an inferior Assembly, the English equivalent is Westminster. We do not want south-east education service or a midlands national health service: we want an English Parliament, located where it has always been—in Westminster. As a result of the changes proposed in Wales and Scotland, there would be no place for Scottish or Welsh Members in debates about those matters.

The Secretary of State for Wales sits smirking in his seat, but there will be considerable anger in England if the shape of English education or the national health service is determined by Members of Parliament who, in every other way, exclude the English from taking decisions on similar matters in their regions. The Government are clever in trying to finesse this demand by making their programme of balkanisation a rolling process, with each decision confined to a tiny part of the total electorate.

Mr. Livsey: If the hon. Gentleman were a Welsh Member of Parliament, how would he feel about seeing the decisions to which he has referred made by English Members for the past 100 years? We seek only justice and democracy—and that is proposed in the White Paper.

Mr. Rowe: Is the hon. Gentleman prepared to give up the right of Welsh Members to take decisions on behalf of the English? That is all I am asking. The Government's proposals will not do. I urge the Government and the entire nation—not just the Scots and the Welsh—to pause before rushing headlong to taking decisions in a mere six weeks that will shape the nation for the next 100 years.

12.28 pm

Mr. Chris Ruane (Vale of Clwyd): Thank you, Mr. Deputy Speaker, for the opportunity to deliver my maiden speech on such an important day for Wales, when we are discussing the referendum and a Welsh Assembly.

I am a new Member of Parliament in a new seat. It is composed of parts of three former seats—Clwyd, North-West, Clwyd, South-West and Delyn. I pay tribute to my three predecessors: my hon. Friends the Members for Delyn (Mr. Hanson) and for Clwyd, South (Mr. Jones)

and the former Member for Clwyd, North-West, Mr. Rod Richards. I have followed their progress over the years, through the local press and in *Hansard*. Each had qualities that I can learn from, as a new Member.

Mr. Richards was a tenacious and passionate fighter for the policies that he believed in. I did not share his belief in those policies, but he fought his corner. Some of those policies, such as nursery vouchers, were unpopular, and were rejected by the Welsh people. However, he was a party player, who played his full role.

My hon. Friend the Member for Clwyd, South has taught me the importance of specialising in a subject early in a parliamentary career. In his case, it was agriculture. He has concentrated his time, resources and energy on it, to the benefit not just of his constituents but of the whole country.

My hon. Friend the Member for Delyn has shown me the importance of treating constituents with respect. In the past Parliament, he answered 60,000 letters personally. That is a mark of his dedication.

Many Members stress the beauty of their constituency in their maiden speech. I can say, hand on heart, that my constituency is beautiful. That is official, since a large part of it lies in an area of outstanding natural beauty, along the Clwydian range. Towns such as Cwm, Rhuallt, Llandyrnog, Bodfari and Tremeirchion dot the beautiful landscape.

Tremeirchion has a large Jesuit college called St. Bueno's. I have often attended mass there, and my daughter Seren was christened there two years ago by Father Damian Jackson. The Victorian poet Gerard Manley Hopkins studied there in the last century. When he walked along the Clwydian range, he was inspired by the beauty before him. His poem, "The Vale of Elwy"—the Elwy is a tributary of the River Clwyd—contains the lines:

"Lovely the woods, meadows, combes and vales
All the air things that build this world of Wales."

Anyone who has walked that route along the Clwydian range will share the opinions expressed in that poem.

There are other beautiful towns in my constituency, including Dyserth, in the shadow of Hiraddug mountain, and Meliden, nestled into Craig Fawr mountain. The city of St. Asaph boasts a cathedral and Bodelwyddan a marble church.

The two largest towns in my constituency are Rhyl and Prestatyn, containing 66 per cent. of the population. Both have faced difficulties in the past 20 years, with the decline of the traditional seaside holiday. The people of those towns are proud and industrious, facing the changes with fortitude. The advent of a new Labour Government, believing in justice, jobs, investment, education and training, will help my constituents to gain the skills they need to face the new millennium.

The last two towns that I wish to mention provide a link with the business under discussion today. They are Rhuddlan and Denbigh. Both have castles built by Edward I in the 13th century. With a minimum amount of popular support in Wales, Edward I followed an aggressively expansionist policy against the people of Wales. He wished to dominate Wales from his centre of power in London. He did so by building an iron ring of castles around north Wales, including those at Rhuddlan and Denbigh.

Edward I was an obvious role model for some 20th-century rulers—Queen Margaret of Finchley, honest John of Huntingdon and their henchman, the young pretender, Prince William of Richmond. During their rule, their stranglehold in Wales was achieved not by castles, but by quangos—80 of them stuffed with lords, ladies and barons loyal to the party line. They were able to wield unaccountable control over our nation's dissatisfied population.

As the erstwhile court jester, Jeremy Hanley, observed in 1994, responding to the blatant appointment of all-Tory boards:

"We want people who are committed to the success of the boards they join. Why should we appoint people who are dedicated to the failure of our reforms and the destruction of these institutions?"

Such arrogance. Members of the boards received their master's patronage. They were rewarded with dowries, some as much as £80,000 a year, and many were rewarded for incompetence. They presided over cuts in services the length and breadth of Wales.

That out-dated mode of political rule belongs to another time. It has failed to deliver what the people of Wales want, which is strong, effective and accountable government. The people of Wales want a system of government that is responsive to their needs and wishes. They want a system of government that can deliver popular policies which will create wealth and prosperity for all and enhance our prestige in the world.

My right hon. Friend the Secretary of State has made an excellent start in abolishing the quango state in Wales, but we should not rest until every one of the quangos has been either scrapped or brought under democratic control. When the task is complete, when the dust has settled and when the history is written, my right hon. Friend should commission a film on the demise of the quangos in Wales. The title of the film—there could only be one—should be "Last Quango in Powys".

12.35 pm

Mr. Owen Paterson (North Shropshire): I congratulate the hon. Member for Vale of Clwyd (Mr. Ruane) on his excellent, witty, fluent and amusing maiden speech. I am sure that we shall hear more of him, and I am sure that he will not be surprised to hear that I disagree with him.

I live not far from the hon. Member's seat, right on the border; my bottom gate is 50 yd from the Welsh border. I have family connections with Wrexham, a seat that I fought in 1992. I was defeated in a fair fight by the hon. Member for Wrexham (Dr. Marek), but I remind the House that 18,114 people agreed with what I was saying, and it is worth remembering that, in the 1997 general election, we got more than 317,000 votes. The Tory voice in Wales should be listened to.

Mr. Lembit Öpik (Montgomeryshire): Do the hon. Gentleman's comments mean that the Conservative party has finally accepted the case for proportional representation?

Mr. Paterson: No. I do not want to comment on proportional representation; I want to comment on the White Paper.

Towns such as Wrexham did extremely well under the 18 years of Tory rule. I remember going to Wrexham with my grandmother when I was three or four years old. It

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was a grim place with declining steel and coal industries and no future. Now, there is a kaleidoscopic variety of new industries, which is very much due to the system of having a strong Secretary of State for Wales answering to a British Cabinet in London and doing a good job for Wales. I could quote numerous examples. The most obvious is the good work done by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) who brought in 6,500 jobs with the Lucky Goldstar investment, the largest inward investment into Europe.

There has been much talk of the quangos and how to reform the manner in which they are run. I totally agree with the hon. Member for Blaenau Gwent (Mr. Smith) who, sadly, is not here. The quangos were set up by Parliament and they can be reformed by Parliament. At local level, we have reformed the system of local government and many of my neighbours are delighted that they no longer have a muddling second tier in Mold representing Clwyd; instead, they have a simple system in Wrexham.

Many of the issues in the White Paper could have been devolved to the new simplified system of local government. It is bizarre that we are increasing government and bureaucracy when we want simpler government. The move runs counter to the very reason for the White Paper: that the Government should be near and local to those whom they purport to serve.

What concerns me most, to pick up the comments of my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe), is that the whole devolution programme presupposes the passive acquiesence of the English. The English, primarily, pay the bills. They constitute 85 per cent. of the population. There is a deficit in Wales. Wales contributes £9.9 billion of the £15.6 billion spent by the Government. That leaves nearly £6 billion, which comes primarily from English taxpayers.

The English are patient, and English nationalism has not yet been stirred. The exercise is primarily one in fudging differences between old and new Labour and in assuaging the demands of Welsh nationalism. The Indians know about partition. There is a very good Indian phrase: he who rides a tiger cannot dismount. We do not know where this tiger is going. It will inevitably lead to divisions and a breakdown of the Union, which was clearly and eloquently described by the right hon. Member for Llanelli (Mr. Davies).

It is absolutely wrong that this Union, which works so well for all of us, in which we all have an equal vote and in which each hon. Member has equal power, should be broken up by a majority vote with no threshold in the two smallest constituent parts. The hon. Member for Swansea, East (Mr. Anderson) talked about fairness. I am alarmed that English nationalism, which is currently passive, may be awakened.

I shall give a very graphic example. Offa's dyke runs through my constituency. King Offa was a great man, who built the enormous construction right down the length of the Welsh border. The boundary should evoke horrible memories for Labour Members who represent Welsh constituencies. King Edgar said that, if any Welshman was caught on the wrong side of it, he would be put to death. Harold Harefoot, who was obviously a softy, said that any Welshman caught would have his hand chopped off. *[Interruption.]* You are all presuming that the English will remain passive.

Why should my constituents, who welcome the Welsh and trade with them on market day every week, and who have relations in Wales, have an unequal vote? A vote in England will have less value, because agencies in Wales such as the Welsh Development Agency, which canvasses businesses in my constituency, will be responsible to a new, distant and alien organisation—the Assembly in Cardiff—over which I shall have absolutely no say or influence; yet every Welsh Labour Member will retain the right to cross Offa's dyke, at no risk, I am very happy to say, to their heads or hands, to speak on roads, hospitals and schools in England.

To give an even more graphic example, every Welshman receives £690 more from central Government than an Englishman. That cannot be right. You Welsh Members and the Secretary of State are presuming that the English will pay up and play the game. I fear that you may have presumed wrong—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Will the hon. Member refrain from using the word "you"? He is implying that I am involved in his argument.

Mr. Paterson: I apologise, Mr. Deputy Speaker. I looked the Secretary of State in the eye, which provoked the use of the word "you".

That is my final point.

Hon. Members *Hear, hear.*

Several hon. Members *rose—*

Mr. Paterson: Do not presume on the acquiescence of the English.

12.44 pm

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): The patronising character of the speech that we have just heard would make us rabid nationalists very quickly if we heard many more of the kind.

I congratulate my hon. Friend the Member for Vale of Clwyd (Mr. Ruane) on an amusing speech. He is a refreshing change from his predecessor—my hon. Friend had to pay him compliments, but the rest of us do not. We welcome my hon. Friend, not least because we got rid of someone who, at times, abused the House in his language and personality. I am sorry to have to say that, but it is true. My hon. Friend is a wonderful and welcome change. The fact that old and new parliamentarians alike represent seats such as Merthyr Tydfil and Rhymney and Vale of Clwyd is an important aspect of our democracy. I congratulate my hon. Friend, who will stand up for his constituents.

Before I make one or two comments on the White Paper, I have something to say to some of my hon. Friends, especially my hon. Friend the Member for Swansea, East (Mr. Anderson). We should stop peddling the notion that individual Labour Members who dare to criticise the White Paper or who are opposed to devolution—such as my hon. Friend the Member for Blaenau Gwent (Mr. Smith) and, in different ways, my

hon. Friend the Member for Rhondda (Mr. Rogers) and my right hon. Friend the Member for Swansea, West (Mr. Williams)—are, in some way, Tories. I ask Ministers to take a lead in that respect.

My hon. Friend the Member for Swansea, East lined up with people such as Nick Edwards in 1978 and 1979, but I did not accuse him of being a Tory. I respected his views, and we argued it out honourably. I respect his change of mind, and he should not impugn the motives of people who do not share his views. After all, halfway through the Thatcher period, in 1985, my hon. Friend described Welsh Members who supported devolution as

"sleepwalking . . . into the constitutional cul-de-sac of devolution, a spectre that haunted the Welsh Labour Party until it was decisively exorcised by the 1979 Referendum."

Let us argue about the issues and the contents of the White Paper, not personalities. We should not describe people who hold different views as crypto-Tories. They are not. They have held their views consistently, and represent a not insignificant percentage of Welsh public feeling. Let us get on with the argument.

I support the White Paper, but I have reservations. One cannot suspend one's personal critical faculties simply because we will have a referendum campaign, so I wish to take this opportunity to mention two important reservations and to ask Ministers how much of the White Paper is written in stone. Is the White Paper the last word, or is it a substantial contribution to the debate that can be revised?

My first point is one that my right hon. Friend the Secretary of State for Wales understands. Indeed, we have discussed it from the start. I believe that we have missed a big opportunity to dismantle the quango state. The devolution Bill should dismantle it, but those bits of dismantling that my right hon. Friend has offered us so far are more of a gesture than a serious attempt to address the issue. I do not need to make that case in my terms, because I can make it in his. I cannot think of anyone who has been a more vitriolic—or a more powerful and vehement—critic of the quango state than my right hon. Friend. In his speeches and written contributions he has denounced the quango state. He has used language that would not fall from my lips. He has repeatedly referred to the 180 quangos, the £2.5 billion and the 850 appointees—more than the number of elected councillors—that constitute the quango state.

What concerns me is that I do not see anything like all that being swept away, either between now and 2000 or after 2000. We are being offered the nightmarish prospect of the Assembly sitting down and voting people on and off all the existing quangos. The thought of having to put 800 appointees through the democratic process is a nightmare. I presume that it would be something like the American Senate procedure, with the Assembly in continuous session deciding whether to approve the credentials of the appointees to the various boards accountable to it. The whole concept is a bit of a nightmare, which is why I would greatly prefer the more fundamental approach of doing away with the vast majority of appointees of the character described by my right hon. Friend the Secretary of State.

In the spirit in which we have argued this point, I would point out that it was my right hon. Friend, not me, who used terms at which I blanched about the "wasteful", "excessive" and "vast" expenditure on the running costs of many quangos. On more than one occasion we have implied that much of the cost of our new Welsh Assembly will be financed by considerable savings on those running costs. Indeed, my hon. Friend the Member for Preseli Pembrokeshire (Ms Lawrence) said that in an earlier intervention. I do not foresee our making the sort of savings that would be associated with the words he used—excessive, wasteful and vast—to describe the administrative and running costs of quangos, albeit not the remuneration of staff. I do not envisage those savings emerging from the White Paper's proposals to a time scale that would meaningfully offset the costs of the Assembly.

My right hon. Friend referred to the excessive, wasteful overheads of the Arts Council of Wales and the vast sums spent on the Curriculum Assessment Authority for Wales and the Welsh Language Board. When we hear such language and then read the White Paper, which states that the Arts Council and Sports Council for Wales

"will be invited to suggest amendments to their Charters",

it is not surprising that we notice a difference between rhetoric and action.

My right hon. Friend and I disagree on what can be done about royal charters. I sought advice and was told that an Act of Parliament—a section in a devolution Act—can remove charters, assuming Royal Assent is given. What is not required is grovelling before the boards on our hands and knees, asking them for their consent, which is the inference I draw from the White Paper.

I have one further specific point. I hope that my right hon. Friend will seriously consider going further. As the debate emerges over the next few weeks in the run-up to the referendum, we shall demonstrate our case far more forcefully if we can say that we will unwind and dismantle the quango state.

Several hon. Members *rose—*

Mr. Ron Davies: I am grateful to my hon. Friend for giving way, because the matter he raises is important and I want to deal with it now. Let me assure him that my determination is as strong as it ever was and that the proposals in the White Paper will allow us to achieve that which we want to achieve. All the quangos to which he referred will be made accountable. Many of them will be abolished by the legislation that will follow from these proposals and we are getting rid of nine.

On the question of the charter bodies, I assure my hon. Friend that the advice that he has been given and that given to me is correct and that there is no inconsistency. Paragraph 3.25 of the White Paper refers to the amendment of charters. As he says, as Parliament is sovereign, so Parliament can abolish charters; but the amendment of charters requires action to be initiated by the charter bodies themselves.

Mr. Rowlands: I do not want to get into a lengthy debate. From the number who rose when they thought I was finishing my speech, I am aware of the pressure on time. I hope that the White Paper is not the last word on the issue and that between now and the referendum, we sound more convincing about dismantling the quango state.

I believe that another aspect of the White Paper goes a step too far—the function and role of the Secretary of State. Our judgment on the role of the Secretary of State

[Mr. Rowlands]

should not be clouded by the unrepresentative individuals who have held the post in the past 18 years. We should concentrate on the significance of the office of state and the role that the Secretary of State has played in the past and can play in the future.

Irrespective of who has held the post, one of the great success stories of the past 20 years—led by the office and by the nature of the budget—has been the Secretary of State's role in attracting inward investment. He has been a pivotal force in delivering investment into Wales—double the average for the rest of the country.

Mr. John Smith (Vale of Glamorgan): My hon. Friend is right about direct foreign investment, but wrong about gross domestic capital formation—in other words, UK investment into Wales is under-performing.

Mr. Rowlands: I was just about to refer to that distinction. One of the reasons for our success in attracting inward investment has been the role of the Secretary of State alongside the Welsh Development Agency. We must not damage the powerful economic role that a future Secretary of State could play as the voice for Wales outside Wales. I do not see that voice being effective under the White Paper's proposals.

My right hon. Friend the Secretary of State will not have a penny of the regional selective assistance budget to use on behalf of Wales. We have all been involved in inward investment in various ways. The flexibility to manipulate funds and to offer competitive packages at short notice has been due to the Secretary of State and the WDA. Frankly, it is not a democratic process—it is the ability to move quickly and to shift funds and make offers swiftly. I cannot see under the structure proposed in the White Paper how a Secretary of State can continue to play this role. He will not have the budget, to start with.

The figures for the regional selective financial assistance budget in a previous White Paper compare the grants offered to overseas companies with those offered to others. It should be a part of a Secretary of State's functions to have a budget equivalent to the regional selective financial assistance that is available to overseas investors, and he should have a powerful economic role. The White Paper will make him something of an economic eunuch, because he will have neither the budget nor the power.

A combination of the Secretary of State with a Welsh inward investment agency working in partnership with a Welsh Assembly could retain and sustain the drive that we have had in inward investment. A key part of the Welsh Office budget, and a key part of any future Secretary of State's role, might be damaged by the White Paper's proposals and may mean that we are unable to create jobs and attract investment at the levels we have enjoyed in recent years.

I invite hon. Members to read these curious and unexplained words in the White Paper, which my right hon. Friend may explain later. Point 2.24 of the White Paper mentions "published concordat", "common . . . guidelines" and "consultation". All those concepts may be developed to produce some sort of straitjacket around the actions of the Welsh Assembly in the use of selective financial assistance. Such a straitjacket could do considerable damage to the future of the Welsh economy and inward investment in Wales. There should be no concordats and guidelines because those must sometimes be broken, or at least fudged, squeezed and amended as opportunities for major investment come along.

I hope that I have made two constructive criticisms within the context of the debate, but I wish to ask one serious question. I presume that the White Paper, in its summary form, is about to be sent out to every household in the land. Is it the last word? Are the Secretary of State and his Ministers willing to accept that serious points have been made—not just marginal points or cosmetic consultation, but effective consideration by hon. Members and commentators outside the House? Can they shift their ground to accommodate both the quango issue, which a number of us have raised, or the new point that I made about the Secretary of State's role in inward investment? I hope so, or we shall be in a dilemma. If we achieve a yes vote, it will not endorse the whole of the White Paper but we shall have every right to return to our debate. I would rather that we changed our minds en route to make the case for devolution stronger in the eyes of the Welsh people.

1.1 pm

Mr. Dominic Grieve (Beaconsfield): I am grateful for the opportunity to take part in the debate, and I shall try to be brief. I wish to cover three important points.

I was particularly interested, in reading the White Paper, to see that one of the great selling points will be the Assembly's ability to deal with secondary legislation. I have the privilege—albeit sometimes a slightly purgatorial privilege—of going upstairs every Tuesday afternoon to the Joint Select Committee on Statutory Instruments to scrutinise the gobbledegook that comes out of central Government. Statutory instruments and secondary legislation are the Achilles' heel of our democracy, allowing rafts of legislative provision, including criminal offences, to be introduced without anybody knowing what goes on and often with a hideous lack of clarity, some of which derives directly from the Euro-directives.

The Government now say that they will transfer scrutiny of that secondary legislation to the Welsh Assembly, which will have the ability to regulate it. Superficially, that may seem to have a few attractions, but when one sits back and thinks about it, one realises that the Assembly will have no role whatsoever. The vast majority of statutory instruments which it will have the pleasure of rubber-stamping will have to go through willy-nilly, because they come directly from central Government diktat and the majority are imposed through Europe.

What has not been explained—I find this fascinating—is how the content of such instruments will be co-ordinated centrally. We spend a great deal of time in our Committee meetings having explained to us by Speaker's Counsel, who is extremely experienced on the matter, the extraordinary failings and lack of co-ordination between Government Departments in achieving comparable legal provisions, which we must constantly refer back and regulate.

How will that be done if it is not done centrally in this House? It defies credibility that those with ultimate responsibility for good government should simply hive off

to an Assembly that has neither the ability nor the input from specialist staff for the scrutiny of secondary legislation, especially given that the occasions on which it will be able to intervene directly and change the legislation will be extremely limited.

On that score, the Secretary of State and the Government are selling the House and the country a pup. There will be no ability to scrutinise or influence secondary legislation. The reform that is, heaven only knows, badly needed, is in this House. Hon. Members of all parties need to sit down and look at this stuff and prevent it from coming out in such a hideous form. It needs to be referred back to this Chamber if there is to be any opportunity to influence it.

That is not a party political point. Half the statutory instruments that we have been examining over the past few weeks came from the last Government. We are beginning to examine those from this Government, but frankly it does not make a bean of difference—they are equally badly drafted.

I was fascinated to read in the White Paper that, in the resolution of disputes between the Assembly and this House and central Government.

"The Attorney General and Solicitor General will continue to serve Wales and England. Any disputes about the Assembly's use of its powers will be referred to the Law Officers. This should allow disputes to be settled speedily, without recourse to the Courts."

The Law Officers are servants of the Government. If I were in dispute with the Government, I would not go to their lawyers to get my advice. I cannot understand the assumption that disputes will be settled easily through recourse to the Law Officers. Indeed, they have no provision or power to do any such thing, so I assume that some statutory power will be introduced to enable them to do so. To believe that one can go off to the other side's lawyer to get advice is to live in cloud cuckoo land. It is another part of the White Paper that is wholly redundant.

What does shine through in the White Paper is the emphasis on the holistic approach. We heard that two or three times in the Secretary of State's speech. I hope that I came into politics intending to conduct myself with integrity and courtesy—that is important—but politics and its processes are not about an holistic approach. That is the decorative pap and mush that the Government have put out to justify serious constitutional changes that, ultimately, will affect accountability in government.

The basic principle behind the justification for the legislation is that it will make government more accountable; yet we are the sovereign legislative body, and accountability rests with us. The buck stops with us. We are the only people who, ultimately, can call the Secretary of State and the Government to account. The White Paper states, in black and white, that, when the legislation is enacted, the Secretary of State will not be accountable for the activities of the Assembly. A better recipe for bad government could not be found.

I do not want to follow the English nationalist road. I am British. My ancestors come from every corner of the United Kingdom and I see myself as British through and through. The complaint that has been made throughout the whole of the devolution process, and that we have heard again today, is that people want to parochialise their politics. They are no longer prepared to accept the concept that they have to lump majority views within the United Kingdom if they disagree with them. They claim the right to parochialise their politics and, provided that within their own parish they have a majority view, to buck the view of everyone else.

There is absolutely no doubt that sovereignty ultimately lies with the people of this country, through the sovereign and her coronation oath.

Mr. Flynn: The Queen?

Mr. Grieve: Yes, it lies with the Queen through her coronation oath to her subjects. That is what the oath is all about. It is worth re-reading.

The people have the right to change the circumstances by which they are governed. However, to do that in a way that does not include consulting the people of England is about as crass a piece of policy as we could imagine, especially when all these measures—in particular Scottish devolution, but also Welsh devolution—directly affect the way people are governed.

1.9 pm

Mr. Allan Rogers (Rhondda): I congratulate my hon. Friend the Member for Vale of Clwyd (Mr. Ruane) on his maiden speech. I am sure that he will represent his constituency with great force.

Bearing in mind what has gone on over the past couple of months, there seems to be a Welsh national newspaper that is a broadsheet for the Welsh Office. Those of us who happen to have a different view about the Welsh Assembly from other colleagues in the Labour party might well be in favour of devolution. I am strongly in favour of it, but I am not in favour of the Labour party's proposals as encapsulated in the White Paper. A fundamental reason for not believing in them is that I do not want subsidiarity. At the same time, I do not want devolution to stop at an all-Wales level.

I happen to be a strong proponent and supporter of local government. It is an institution that we take for granted all the time. Selfless people spend their lives—many of them prejudicing their careers—to serve others at a local level. They undertake fairly awesome responsibilities. When I was involved in local government I participated more in the democratic process than I feel that I have ever done in England, where the Executive runs the state and where Parliament has little say.

Local government is the largest employer in Wales, and it spends more money than any other organisation in Wales. For the life of me, I cannot understand why, if they wanted to abolish quangos, the Government did not first restore to local government the powers of those quangos. It was the Tories who took the powers of local government and handed them to the quangos that they set up.

That is what happened over the past 18 years. The Tories could not govern Wales. Indeed, they could not govern England. They never won local elections. We know that they were hammered at that level. So what did they do? In London, in other parts of England and in Wales, they took powers from local authorities and gave them to unelected quangos, where they could put their placemen. That has been the pattern of politics in Wales.

We should not fall for the false nationalistic answer to the problems of democracy and accountability. Surely we should first undo what the Tories have done. It was the

[Mr. Allan Rogers]

Tory party that created bad government in Wales. That is why I, and some of my hon. Friends who hold a different view from others in the Labour party, resent the imputation that there is a move to get into bed with the Tories.

I happen to come from what many people in the valleys of south Wales refer to as the heartland of British socialism. The very thought of collaborating with the Tories would get me kicked out of the House by my constituents and by my family, right through to those who would rise from their graves at the very thought of it.

I and my hon. Friends the Members for Islwyn (Mr. Touhig), for Ogmore (Sir R. Powell), for Merthyr Tydfil and Rhymney (Mr. Rowlands) and for Cynon Valley (Ann Clwyd) are prepared to fight against the Tories all the time. We also fight against the nationalists because we think that they present a false road for the Welsh people to travel down.

Our patriotism and our love of Wales is not based on resentment of the English. We are not fighting for a Wales in Europe. We do not trust the French, the Germans and those from Luxembourg any more or any less than we trust the English. If we have to be part of a pattern of government, I would rather be within the pattern of government of a British state, of Great Britain, rather than following Plaid Cymru's policy of a Wales in Europe. I will not go down that road, because it does not serve my constituents. Let it be understood that we are all here to serve our constituents.

I see my colleagues in the Chamber, and I see no one who is an absolutely dogmatic politician. We must all realise that politics is often the art of the possible. Our surgeries are not full of people who fly to the stars on great political philosophies. They are full of people who are concerned about their rents and their welfare payments, because the ravages of the Tory Government decimated our communities and collapsed our industries. The Tories did that purely out of selfish spite against coal miners. We fight for those people every day.

I am not hung up on any particular structure of governance in Wales, but I want good government for my constituents, and quite frankly I am not convinced by this White Paper. My right hon. and hon. Friends have already made some of the points that I was going to make, but I want to raise one issue in particular. It has been suggested that, if we had had a Welsh Assembly, we would not have had the ravages of Thatcherism, and that somehow Toryism and Thatcherism would have stopped at the Severn bridge or at the border by the A5, near the constituency of that English nationalist, the hon. Member for North Shropshire (Mr. Paterson).

There is a railway bridge in Nelson that the Secretary of State and I know very well, from when we were both campaigning for a no vote in 1979. I have seen written on that bridge, "We voted Labour and we got Thatcher." That is true—we had Thatcher and she hammered our constituencies—but an Assembly will not save the people of my constituency from poverty, it will not cure the sick, and it will not put the unemployed back to work.

A previous Labour Government felt that the best way to regenerate the Welsh economy was to establish a Welsh Development Agency, for the reasons that my hon. Friend the Member for Merthyr Tydfil and Rhymney gave. It was decided that we needed something outside the normal organs of government that could energetically pursue investment in Wales. By and large, the WDA has worked.

The issue of accountability has been raised. When the Welsh Development Agency did not work and performed badly, it was made accountable. Tribute was rightly paid to my right hon. Friend the Member for Swansea, West (Mr. Williams) for his work on the Public Accounts Select Committee. I can go back a little further. When I was a member of the Public Accounts Select Committee, we considered the Parrot Corporation and its relationship with the WDA. I feel that such accountability will be missing under this proposal.

I have been elected to make such bodies accountable, and if they are not, it is my failure and the failure of every hon. Member. We have the Select Committee on Welsh Affairs, the Welsh Grand Committee, the Public Accounts Select Committee and the Chamber, and, if democracy has gone from Wales, it is our fault. We may not have been diligent enough. We fought the Tories, but they had a majority and were able to railroad proposals through. That is greatly to their shame.

It is the fault of Conservative Members that we are in this mess. If there is a break-up of the United Kingdom, as is quite possible as a result of this slope that we are sliding down, people should not blame my right hon. and hon. Friends on the Government Front Bench.

Mr. Ancram: They will.

Mr. Rogers: They will not. My right hon. and hon. Friends are responding to the democratic deficit that the Tories created. It is the Tories' fault that we are in this pickle, not ours. At least we are trying to do something about it.

I finish on the point that my hon. Friend the Member for Merthyr Tydfil and Rhymney made. My right hon. Friend the Secretary of State has thanked me on a couple of occasions for contributing a paper. I have it here. It is called "A Welsh Assembly: Quangos and Local Government". I pay tribute to one person who helped enormously in compiling it. It was done during the election period. It is a fairly reasonable contribution to the debate.

I am sorry that some of the questions that I posed in the paper have not been answered. If my right hon. Friend the Secretary of State is prepared to answer some of those questions and to take up the issues that we have brought to him this morning, we can look at the matter again. However, if we are simply to stay as we are, and if all that we are doing this morning and shall do in the next few weeks is going through the motions, I am afraid that I cannot alter my position on the Assembly.

There is a democratic deficit in Wales. I know that, if it continues with the Assembly, my Front-Bench colleagues will have to redress the problem yet again.

1.20 pm

Mr. Andrew Hunter (Basingstoke): On one point the hon. Member for Rhondda (Mr. Rogers) can rest assured. Although we may occasionally have fleeting personal regard for him, we have neither intention nor desire to form any alliance with him.

My speech will be brief, because I realise that other hon. Members wish to catch your eye, Mr. Deputy Speaker. I shall select just two of the themes that suggest

themselves from the White Paper. The first relates to Europe. The second relates to one aspect of the workings of the proposed Assembly.

The White Paper points not only to the Assembly's role in promoting, protecting and furthering the interests of Wales and the Welsh people in the United Kingdom but to its potential in furthering the interests of Wales in the European Union. Notwithstanding what the hon. Members for Ynys Môn (Mr. Jones) and for Swansea, East (Mr. Anderson) said, the latter point is open to question. I understand that it is being questioned.

The relevant paragraphs in the White Paper are 46 to 56 in chapter 3. Those paragraphs are clearly intended to give the impression that the creation of an Assembly will give Wales a stronger voice in Europe, but I submit that, on closer analysis, most of the functions and activities which are listed there would not remotely do that. With two key exceptions, which I shall come to shortly, the functions outlined for the Assembly in respect of Europe fall into two categories.

One category is those functions and activities that already exist and are fulfilled mainly by the Secretary of State, in part by the United Kingdom permanent representation in Brussels and in part by the Wales European Centre—as I understand the activities of that body. We are talking about a transfer of existing powers, not the assumption of greater, new or more intensive powers.

The second category of functions in respect of Europe relates to scrutiny and enforcement of European legislation, and their assumption by the Welsh Assembly will not give a stronger voice to Wales in the European Union. None of those functions remotely amounts to an exciting new dimension of Welsh involvement in the European Union.

There are two key paragraphs on the European dimension—paragraphs 53 and 56. In those paragraphs, the White Paper envisages that the Assembly will administer structural funds and have representation on the Committee of the Regions. In those two paragraphs, the Government's thinking reflects the European Union's vision of a Europe of regions rather than the counter-view of a Europe of sovereign national states.

There is a problem here. Notwithstanding what the hon. Member for Swansea, East in particular said, I find it hard to accept the argument that European regionalism will enhance the nationhood of Wales. It will diminish it: it will relegate Wales to the status of a region. Regionalism is ultimately incompatible with nationhood, and it is intended to be. The stronger argument is that the nationhood of Wales is best protected and promoted within the nation state of the United Kingdom of Great Britain and Northern Ireland and in a Europe of nation states. It is neither protected nor promoted by diluting or risking the integrity and sovereignty of the United Kingdom through devolution and choosing to follow the route of European regionalism.

I can pursue my second theme even more briefly. It arises from a chapter in the White Paper on the Assembly and the Welsh economy, and I do not think that the issues that I am about to raise have yet featured in the debate. According to the summary on page 11, the Assembly will

"provide leadership in setting a new economic agenda for Wales."

It also states that it will

"develop its policies in partnership with local authorities, industry, further and higher education, Training and Enterprise Councils and the voluntary sector".

The White Paper anticipates the concern that those themes may provoke, and tries to give a reassurance on page 11. It is that the Assembly will

"protect Wales's wealth-creating capacity by assessing and publishing the potential cost to business of any new policy proposals."

I do not find that reassuring. Fear persists, and with good reason, because assessing and publishing the potential cost does not prohibit costly measures from being taken and implemented by the Assembly. There is scope for unwarranted interventionism by the Assembly. Far from its activities being the best way to raise living standards to those enjoyed in the more prosperous parts of the UK and Europe, the White Paper proposals could, if implemented, create a mechanism for unwarranted intervention in the wealth-creating process in Wales.

Many genuine concerns arise from the White Paper. I have picked two, the first of which is the proposition that the interests of the Welsh nation lie in taking the path of European regionalism. That is open to serious question. The potential for the Assembly to intervene adversely in the workings of the Welsh economy is self-evident. Those and other matters are genuine causes for concern.

1.27 pm

Dr. John Marek (Wrexham): It was an honour to listen to the maiden speech of the hon. Member for Vale of Clwyd (Mr. Ruane).

It is a little unfortunate that those hon. Members who have caught your eye, Mr. Deputy Speaker, have been somewhat critical of the White Paper. That is no fault of yours, but many hon. Members hoping to catch your eye are 100 per cent. behind the White Paper, and will commend it to the Welsh people. I hope that some of them will be able to contribute to the debate.

Negative arguments against change are always appealing. It is easy to say that a proposal will cost a great deal, will produce more bureaucrats and will lead to domination of one part of the Principality by another. Such appealing arguments are easy to understand, but that does not mean that they are right. The White Paper has successfully addressed those arguments, and people who read it will be convinced that change is necessary, and that the way to bring it about is to vote yes on 18 September.

Those of us who wish to do that need to come together. People who want to keep the first-past-the-post voting system use the same old argument: that we know what it is and it is simple, which is easy to say. If people want to change to any form of proportional representation—and there are many—they can argue for this and for that, and it is easy for PR's opponents to decry their arguments. It has happened this morning.

I worry a little about the additional member system. Appointments should be made not by any party secretary sitting in his or her office, but by the membership of a party. If that were the case, there would be no problem, but I am not going to create any problems or to do anything more than simply mention that caveat.

[Dr. John Marek]

I accept the White Paper's decision to have the 40:20 system, where 40 members are directly elected and 20 are elected by the additional member system. That will be better than all members being directly elected. I implore all people who want change and who want Wales to enter the 21st century alongside other nations, regions and nation regions in Europe to accept the proposals of my right hon. Friend the Secretary of State for Wales.

There are things that we will need to see in the Bill. At the moment, we have only a White Paper. Details will need to be fleshed out, and I have no doubt that the devil will be in the detail—it is always like that. My right hon. Friend the Secretary of State will, I am sure, be able to give an indication of his thinking over the next four or five weeks.

Clearly, my right hon. Friend the Member for Swansea, West (Mr. Williams) has made an important point about secondary legislation. It would be possible for a succeeding Conservative Government to put secondary legislation into primary legislation. As it is, any Administration can introduce what is called an enabling Bill, where the primary legislation says little, and it is all done by secondary legislation.

We need to flesh that out and to be absolutely clear—or reasonably clear—what we would regard as permissible for the Welsh Assembly, what would be the norm for this Parliament, and how to resolve any conflicts or differences of opinion that may rise. That does not stop me one inch from saying that this is a good White Paper and that those are details that will need to be thought through before the Bill is published.

My right hon. Friend talked about the Higher Education Funding Council for Wales. I read of a little problem about that. Of course, the different colleges of the university of Wales—I speak as someone who was a lecturer in one of those colleges for 18 years—are little quangos themselves. The college principals always argue about academic freedom, but if anyone has got rid of academic freedom, it is those principals.

During my tenure, I did not have necessarily to get research funding or grants, to do this or to do that or to have to teach certain amounts, but that is not so now. By and large, lecturers now have one-year or three-year contracts, and if they do not produce an equivalent amount of grant or so many papers a year, they are out; so we need not take any lessons from the people in the hierarchy of the university. They always argue for keeping their responsibilities and power.

I ask my right hon. Friend to consider the matter in the working party. I would hate a binary divide to be to established in the constitution, where we have higher education on one side and further education on the other. If there is any way of bringing them together and giving that responsibility to the Welsh Assembly, I urge him to consider it seriously. It is an acceptable point; I will say no more than that.

There are worries in north Wales. Last time, north Waleans were worried about the domination by south Wales. The White Paper has overcome that difficulty. It is not two thirds to one third in favour of the south. Of course, a preponderance of people live in the area of the old Glamorgan county council.

If the voting system had been by first past the post—let me be absolutely clear about this—the Labour group from within the boundaries of the council could indeed have dominated the Assembly. I do not say that it would have done that, but it could have. Under the 40:20 system, the Assembly will not be a south Wales, a south Wales Labour or a Labour Assembly: it will be a Welsh Assembly. The change in the voting system means that no single group can or will dominate the Assembly.

I was also happy to hear the Secretary of State say that he does not want the Assembly to be a rest home for elderly, retired councillors or Members of Parliament.

Mr. Rowlands: What is the retirement age?

Dr. Marek: There is a retirement age in this place.

We want capable people to serve on the Assembly. If the conditions are right and there is a job worth doing—the White Paper shows that there will be—I am confident that we will attract people of quality and ability to the Welsh Assembly. They will run the internal affairs of Wales better than anyone in this place.

Why do we need an Assembly? It appears that there will be a Scottish Parliament, that London will have an elected mayor, and that there may be elected regional bodies throughout the United Kingdom. I agree with such moves. If the regions want their own elected bodies, I shall support those proposals.

A north-west development agency will be located in my area. With such an agency located six miles beyond my constituency boundary, it would be foolish for my constituents and the people of Wales to vote no in the referendum: they must have an equal ability to attract investment, jobs and prosperity to their side of the border. It is a question of equality. I believe that the Welsh people will recognise that, and will vote yes in the referendum.

The Assembly will mean more democracy for Wales. For the past 18 years—indeed, for most of this century—the Conservative party has ruled Wales. Although the Welsh people have never elected a majority of Conservative Members of Parliament—they elected no Conservative Members in the recent election, which is a pity, but is one result of the current electoral system—they have had their decisions and way of life determined by the Conservative party. That cannot be right, and the Welsh Assembly will change that state of affairs once and for all.

I conclude by referring to the remarks of the hon. Member for North Shropshire (Mr. Paterson), whom I congratulate on winning his seat. He was my opponent in the last election. He said that the English pay the bills.

It is true that, under the Barnett formula, spending per capita in Scotland and Wales is a little more than in England. However, Wales suffers much higher unemployment, lower average wages and a lack of well-paid jobs. Well-paid jobs are found not in Wales, in Scotland or even in the regions of England—in Birmingham, Manchester or Leeds—but in the south-east: the Thames valley. Most Rolls-Royces are garaged within 25 or 30 miles of Whitehall. More importantly, well-paid research and development jobs, decision-making jobs and defence jobs are located in that area. The Welsh Assembly

will break up the central London and south-east class-dominated system of government and administration.

Mr. Grieve: Will the hon. Gentleman give way?

Dr. Marek: I shall give way, as long as the hon. Gentleman takes no more than 15 seconds, because I must finish.

Mr. Grieve: How does the hon. Gentleman explain the fact that the south-east of England has been the most prosperous part of these islands since the Roman period, long before Whitehall came into being?

Dr. Marek: It has been the most prosperous area for the reasons that I have mentioned. Where has all the wealth been produced? It has been produced in the coal mines of south Wales and the industries of the midlands and the north, but those regions of the United Kingdom have not benefited. A Welsh Assembly will start to redress the balance.

The location of the decision-making structures has always ensured that the greater part of the benefits—an unfair distribution of the cake—goes to that area. I am confident that, when we have a Welsh Assembly, centred in Cardiff but representing the whole of Wales, and a Scottish Parliament, centred in Edinburgh but representing all of Scotland, the living standards of the Welsh and Scottish people will be improved.

Like my hon. Friend the Member for Rhondda (Mr. Rogers), I do not decry the English. They are my friends, just as the French and the Germans are. If any region of the United Kingdom wants devolved, local, hands-on regional government, I shall support it.

1.40 pm

Mr. Desmond Swayne (New Forest, West): It appears from the White Paper that the Secretary of State is to become a messenger. It says on page 9:

"The Government expects that the Secretary of State will meet the Assembly's Executive Committee regularly to exchange views and information about Government policy."

My experience over the past couple of weeks is that it is better to read the newspapers before a Government announcement than to wait for anyone on the Treasury Bench to tell us about it. I hope that the experience of the Welsh Assembly will be different.

The primary purpose of a Member of Parliament, as I understand it, is to provide a restraint on the Executive and to hold it to account. According to the White Paper, the Assembly will be part of the Executive by assuming the executive powers of the Secretary of State. However, Members of Parliament—this particularly affects Welsh Members—will be unable to hold that part of the Executive to account. What diminished role will they have? Will they accept a diminished status and diminished remuneration?

In the White Paper, the Government attempt to deal with areas in which disputes may arise between the Assembly and the Government. I continue from where my hon. Friend the Member for Beaconsfield (Mr. Grieve) left off about the determination of such disputes. On page 21, the White Paper says:

"If the Law Officers considered that the Assembly had used, or was proposing to use, its secondary legislation powers unlawfully, the matter could be put to the Judicial Committee of the Privy Council for a speedy decision."

Oh, so that is it. There will be a speedy resolution, and the Assembly men will go back to Wales, confident that they have overstepped the mark; and that will be an end of the matter. Do we really expect them to put their feet up and say, "Oh well, we tried it on, but it did not come off"?

We have already heard from Opposition Members—and on Tuesday we heard from Labour Members—who claimed that the proposals were not nearly enough, and would be merely a starting point on the evolutionary road to Welsh government. We heard from the right hon. Member for Swansea, West (Mr. Williams) about not a magical mystery tour, but a constitutional mystery tour. A tour implies that somebody knows where he is going, and that there will at least be a guide, or perhaps an interpretative centre as they are now called, masquerading as a motorway service station. There is at least some assumption that someone has a notion of the destination. That is not the case with the White Paper.

The people of Wales—wrong, the residents of Wales—

Mr. Öpik: I have one question for the hon. Gentleman. If his own party is so clear about its direction, how does it have such mutually contradictory positions on devolution for Wales and devolution for Northern Ireland?

Mr. Swayne: My right hon. Friend the Member for Devizes (Mr. Ancram) has already answered that question. A very different situation obtains in Northern Ireland. The social circumstances for which that form of government is designed do not obtain—and, I hope, never will—in Wales. It is not a question of making a distinction in the way that the hon. Gentleman implies.

In the referendum, the residents of Wales will make a decision. Residency is the narrow definition used in the Referendums (Scotland and Wales) Bill, although the people of Wales stretch far beyond such a description. Nevertheless, the residents of Wales must decide in the referendum whether we in these kingdoms are a nation, or merely a collection of tribes. If they make the wrong decision in the referendum, you may discover, Mr. Deputy Speaker, that you have presided over the last Parliament of these kingdoms.

1.46 pm

Ann Clwyd (Cynon Valley): I am glad to be able to correct the considerable imbalance in this morning's debate. First, there has been a gender imbalance and secondly, an imbalance in the number of people who have spoken in favour of the Welsh Assembly. From listening to the debate, one would not think that the majority of Welsh Members are in favour of a Welsh Assembly. One would not think that, now that we have more women from Wales in the House, they would have no voice at all.

One of the many attractions of the Assembly for people in Wales is that it will, we hope, correct the gender imbalance that exists here and which makes this a totally unrepresentative House of Commons. Women should form 50 per cent. of the membership here. I hope that, when we have the Assembly, my right hon. Friend the Secretary of State and other Labour members will do everything possible to ensure a better representation in it.

Many points have been made today to which I would like to respond, but there is not enough time and I want to give some of my hon. Friends an opportunity to speak

[Ann Clwyd]

in the debate. I am sorry that 20 years ago, we did not get an Assembly. If we had, much of the havoc wreaked on Wales in the past 18 years would not have taken place.

I represent Cynon Valley which suffers from high unemployment, which has a high percentage of people who are disabled as a result of working in the former industries there and which has a high percentage of young people who are unable to find jobs. The injustice of that is obvious to all Labour Members. What has made me angry during the 13 years I have been here is the fact that there were rarely occasions on which I was able to question the Executive about the policies they were imposing on Wales.

The hon. Member for Aldridge–Brownhills (Mr. Shepherd) seems to believe that the Welsh Grand Committee is a substitute for an Assembly. He cannot ever have been to a meeting of the Welsh Grand Committee. Those of us who have had to endure the Welsh Grand Committee for many years have constantly been in the majority, yet we have seen policies imposed on the people we represent which have been contrary to the opinions expressed in that Committee.

Mr. Shepherd: Will the hon. Lady give way?

Ann Clwyd: No, I am not giving way. There is not enough time.

I believe that the people of Wales will vote yes for an Assembly. I would have liked a parliament, as I have said many times. I believe that public opinion in Wales will eventually support a parliament and will not be content with only an Assembly. I am sorry that we are not getting the same as Scotland. The Tory rout in Scotland and Wales shows that, if the status quo were ever an option, it certainly is not now.

The current system of government in Wales is glaringly undemocratic, and everybody knows it. At Welsh questions every three weeks in the House of Commons, the majority of Welsh Labour Members who represent the majority of people in Wales are not even able to put their questions. Somebody calculated that a Welsh Labour Member was lucky if he or she were able to ask two oral questions in an entire year.

Mr. Evans: Will the hon. Lady give way?

Ann Clwyd: No, I am not giving way.

How can anybody possibly argue that, given such a statistic, the system is democratic? It is not, was not and cannot be.

I should like to cite one example of the way in which the health service has been run in Wales over the past few years. Between 1970 and 1974, I served on the Welsh hospital board. That board was not a perfect arrangement, but at least it could question the Welsh Office's policies. We were lay people. People in Wales knew our names, addresses and telephone numbers, and could contact us if they wished. We travelled all over Wales; we tried to put forward the best policies for health in Wales.

In 1974, the hospital board was taken away and the health service in Wales became less democratic than that in England, which continued to have regional boards. Over the years since 1974, while the Welsh Office has been making very important decisions about the health service in Wales, we as Welsh Members, have not been able properly to call to account the people who made those decisions. As a consequence, much of Wales has a third-world health service. The people of Wales will certainly not be content with such a health service when they have a Welsh Assembly, and they will be able to put detailed questions to the people who represent them in that Assembly.

In the preface to the White Paper, my right hon. Friend the Prime Minister says that the new Labour Government

"is pledged to clean up . . . British politics."

He lists the Welsh Assembly and the Scottish Parliament as bodies which will give

"the people of Wales and Scotland more control over their own affairs within the United Kingdom".

He mentions new citizens' rights under the European convention on human rights and states the Government's commitment to freedom of information. I hope that we do not have to wait much longer for a freedom of information Bill to become law.

The new Assembly wants to consider what sort of standing orders and working procedures it has in order to enable Members of the Assembly to assess official information and hold the Executive to account. I hope that we will no longer hear answers containing the words "disproportionate cost", "the information is not available centrally" and all such things about which the Scott report urged Members of Parliament to do something. Members of the new Assembly should make it clear very quickly that they are not prepared to take such answers.

Devolution is not about separatism; it is about doing a better job of work. The measure of the Assembly's success will be what it does to foster proper jobs, paying proper wages, in the many parts of Wales where there has been a collapse of traditional heavy industry and employment opportunity. Historically, Wales was a major part of Britain's industrial base. After 18 years of Tory blight, areas such as the south Wales valleys have very low economic activity and the lowest income per head in Great Britain. What kind of fairness within the United Kingdom is that?

Much criticism has been made of the democratic deficit. My right hon. Friend the Secretary of State has said what he intends to do about that, and I welcome it.

Broadcasting policy should also come within the remit of the Welsh Assembly, because both north and south Wales have real concerns about broadcasting. In south Wales, Channel 5 appears on the screen like a snowstorm on the Brecon Beacons and there is considerable resentment that the UK Channel 4 is not available. BBC Wales, under the royal charter, is classified as a national region of the BBC, on a par with Scotland and Northern Ireland, and the chairman sits on the BBC's main board of governors as the BBC's national governor for Wales. That is a colonial arrangement and must be reconsidered because, regardless of the postholder's fitness or lack of probity, he can be removed only by the Queen.

Reform of the constitution, in the specific proposals in the White Paper, is not a Labour party pipe dream: it is the only way to deal with the social, educational, health, employment, transport and agricultural issues that face

Wales today. The proposals in the White Paper are enormously important to every man, woman and child in Wales and I have no hesitation in supporting them.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. The winding-up speeches will begin at 2.10 pm. I can call three Back Benchers if they take only five minutes each. I apologise to hon. Members who will not be called, but they will be remembered in later debates.

1.55 pm

Mr. Don Touhig (Islwyn): This debate is important for the people of Wales, for the way in which Wales is governed and for all the people in this United Kingdom. Wales, like much of the United Kingdom, already has devolved government, but it is government by quango and is not accountable. The proposals in the White Paper begin to address that problem and, for that reason, they are both radical and progressive. They are radical because they will lead to a directly elected Assembly that will provide an opportunity to hold to account those who run vital services, such as health and education, for which they are presently not accountable.

Many problems in Wales stem from the fact that we have devolved government that is not accountable. The White Paper is progressive, because it will give the Assembly responsibility for ending the financial waste, corruption and patronage of the quango state. The ending of the quango culture is necessary, and will be a central task for the new Assembly.

In the 18 years of the Tory Government, we became the most centrally governed country in western Europe. I spent 20 years in local government before coming to the House and I can testify to the many powers that were drained away from local communities and brought here to the centre. Decisions that should be taken by local people are no longer taken by them.

Wales has only three Ministers, who together share responsibility for everything, from economic development to agriculture, fisheries, food, industry, training, health and education. That whole panoply of responsibilities rests with them and, with the best will in the world, my right hon. Friend the Secretary of State and his two Ministers—no matter how hard they work—cannot always be on top of their job. That is no reflection on them and, indeed, has been recognised in past years. Tory Ministers shared the powers that the House gave them with the quangos, because that was the only way that they could deliver services in Wales.

The number of quangos in Wales greatly increased, while the number of elected councillors fell. The late and unlamented Tory Government created 64 new quangos and made 40,000 appointments in the last year in England and Wales. Two thirds of those appointments were paid, and many went to Tory placemen, yet the Tories accuse us of trying to create jobs for the boys. All the quangos must be brought under democratic control, because vital services such as health and education should not be controlled by bodies that meet behind closed doors, spend millions of pounds and are not even truly accountable. That is why I welcome the proposals by my right hon. Friend the Secretary of State for Wales.

When people in Wales have a problem, they can contact their Member of Parliament or their local councillor. Local people cannot so easily get hold of whoever runs the local ambulance trust, the local hospital or the local further education college. My hon. Friends from south-east Wales and I can tell stories of recent problems with the tertiary college in Gwent and how impossible it is to contact the quangos that run education in our country.

In spite of the fact that there is a problem with a college in Gwent, Members of Parliament from Gwent have been asking for a report on that college that has been produced, and the Minister has requested that information be passed on, the quango has so far refused to co-operate. Those people are simply not accountable. The quangos that control such vital services must be brought under democratic control. In his statement earlier this week, my right hon. Friend the Secretary of State made it clear that he sees the White Paper as marking the end of the quango expansion and one of the prime tasks of the new Assembly will be to tackle that.

The proposals before us provide a practical way to improve accountability and to decentralise power within Wales—that is the way we should be going. My right hon. Friend has already made it clear that the Assembly will have the entire budget of the Welsh Office—£7 billion. I hear Conservative Members, like the nationalists in a previous incarnation, saying that the Assembly will be a talking shop, but with £7 billion to spend it will be a pretty big talking shop.

The Government are committed to devolution and I look forward to campaigning with my right hon. Friend across Wales to put Labour's case; but it will be Labour's case, not the nationalists' case or the Liberal Democrats' case, because the Labour party is not in favour of breaking up the United Kingdom or creating some sort of federal structure. The Government have set out their devolution stall and, with the White Paper, what you see is what you get—no less and no more.

Devolution is not about nationalism; it is not about separation; it is not about the break-up of the United Kingdom; it is not even about being Welsh. It is about making the system by which we run our country as open and as accountable as we can possibly make it. The only way forward is to extend devolution throughout the whole United Kingdom. The only way to answer the West Lothian question is to have devolution throughout these islands and an elected authority for London and chambers for the English regions are part of Labour's policy. Devolution is about giving people a sense of ownership of the political system, ensuring that they count, their opinions matter and their vote counts, wherever they live.

The relationship between the Westminster Parliament, the Assembly and local government is very important. Only last year, my right hon. Friend the Secretary of State said:

"Devolution does not end in Cardiff",

and I agree with him. I recognise that there are some, even in my own party, who think that it is clever and smart to denigrate local councillors or local councils as if they were political dinosaurs or throwbacks to the past—not the sort of people we want to sit in the Assembly. I say that we want people from all areas of Welsh public life to sit in the Assembly.

I read articles in newspapers and magazines and see interviews on television in which people talk of some mythical boyo culture—some Welsh Taffia that runs local

[Mr. Don Touhig]

government. They tell us that those are not the sort of people we want involved in the new Assembly. They want the experts and the specialists, but an old friend of mine—Councillor Ray Owen—used to tell me, "Always be careful of experts. Remember, experts built the Titanic; ordinary folk like you and me built the Ark."

Local councils have a part to play in devolving government throughout Wales and I welcome the thrust of the White Paper in that respect. My right hon. Friend the Chancellor of the Exchequer, speaking to a local government audience in Manchester this week, told them that they were the democratic leadership of our cities and towns. He went on to say:

"Over the last two difficult decades, it is in local government that the principles and beliefs of social justice have been applied in practice. And, as a result, you have led the way for the new Government".

I certainly endorse that.

I caution those whose enthusiasm for devolution leads them to verbally abuse councillors and portray some of them as old Labour and therefore unworthy of being associated with our campaign. They might also knock former members of this House or the other place, or make digs at geriatric tax exiles who do not share our views on devolution. We will lose the argument and we will lose the referendum if we prefer the easy target of personal attack to the more difficult, but ultimately more rewarding, objective of putting the case for devolution and campaigning on that throughout Wales. We will win the debate and the referendum only by making devolution relevant to the everyday lives of the people of Wales. If some find that too intellectually challenging, they had better be quiet, because they will not be helping our cause.

I am conscious that others want to speak, so I shall make one final point. The White Paper confirms the Government's commitment to local government and to decentralising power. I argue that that is the way we should be going. A Welsh Assembly which has the power to act on a wide range of matters and which is seen to be accountable is not another tier of government—it is a better system of government.

2.4 pm

Mr. Lembit Öpik (Montgomeryshire): My first comment is one of slight surprise. It has become clear throughout the debate that the constructive opposition to devolution has come not from the official Opposition, but from within the Government. That has contributed positively today, because the useful and serious points about what might concern the Welsh public have been heard in the House. Unfortunately, the official Opposition choose to argue in a way which manifestly contradicts other aspects of their policy positions.

The right hon. Member for Llanelli (Mr. Davies) referred to his concern at a shift from our current constitutional settlement to a different one. That is exactly what will happen, but I do not regard that as a negative. As Liberal Democrats, we have campaigned for exactly this shift for more than a century. We welcome the courage of the Government in coming forward with this proposal. It will not destroy the United Kingdom. One has only to look at the format in the United States of America—the wealthiest nation on earth—which has a state and federal structure to understand that the shift is not necessarily negative.

Secondly, it has been said that devolution will weaken the Union. That is manifestly not the case. Anyone who has worked in a large team in business knows that one increases the effectiveness of that business by delegating to individual team members. Delegation in business is akin to devolution in politics. We must look again at the professional experience and trust ourselves to make sensible decisions.

I wish to refer to some of our concerns. We believe that the proposed electoral system—although an improvement on the first-past-the-post system—remains inadequate. It is not fully proportional, and I am sure that we will return to this issue in the House and outside. I welcome the reassurances that we have had from the Secretary of State about the Development Board for Rural Wales and the transfer of its operations to a new regional development agency, but we want to be absolutely sure that that happens.

We must discuss what secondary legislative power means. The Liberal Democrats support primary legislative powers for the Welsh Assembly, similar to the powers that the Scottish Parliament is likely to obtain. Once again, we expect to make a contribution on that score. As far as the Wokingham question is concerned—the possibility that a future Secretary of State could once again lord it over Wales, even with a Welsh Assembly—we believe that there is some constitutional work to do on that score to obtain a reasonable settlement. That should not deter us from moving forward with devolution.

As Liberal Democrats, we will continue to make a contribution in good faith, believing that our ideas will be considered—and included, to a reasonable extent—by the Government as we move towards the final proposals in the House. Good words about inclusiveness are not the same as good deeds, and we will watch to make sure that the Assembly passes that crucial test of inclusiveness.

Finally, there are the "What ifs?", as in, "What if it doesn't work?" I am glad that the Wright brothers did not think that. I am glad that Nelson Mandela did not say that. We must have the courage of our convictions and simply say, "We will make it work and we will overcome the barriers which prevented us from doing it before." We must not live in a penumbra of self-doubt, wondering whether we have the ability to move forward. This Parliament represents 60 million people and a successful United Kingdom, and it will be more successful if we devolve our powers to those more able to make decisions.

My challenge is not just to my Liberal Democrat colleagues but to the official Opposition to stop dragging their heels and living in the past. They must stop trying to turn this issue into a political football and start giving the Welsh people the respect that they deserve. By all means argue the case, but in a constructive context, so that, ultimately, we can look back at this Parliament and say that we all made a personal contribution to a truly great reforming Parliament.

2.9 pm

Mr. Nigel Evans (Ribble Valley): First, I congratulate the hon. Member for Vale of Glamorgan (Mr. Smith) on his maiden speech. At least his was made in daylight hours—unlike mine, in 1992, which was made at 2 am. I also congratulate our 1997 intake—my hon. Friends the Members for Beaconsfield (Mr. Grieve), for North Shropshire (Mr. Paterson) and for New Forest, West

(Mr. Swayne)—as well as my hon. Friends the Members for Faversham and Mid–Kent (Mr. Rowe) and for Basingstoke (Mr. Hunter).

We heard the green-tinted spectacles view from the hon. Members for Islwyn (Mr. Touhig), for Brecon and Radnorshire (Mr. Livsey), for Ynys Môn (Mr. Jones), for Wrexham (Dr. Marek), for Swansea, East (Mr. Anderson), for Cynon Valley (Ann Clwyd) and for Montgomeryshire (Mr. Öpik). We also heard the voice of realism—never mind the voice of Wales—from the hon. Member for Rhondda (Mr. Rogers) and the right hon. Members for Llanelli (Mr. Davies) and for Swansea, West (Mr. Williams).

Ms Julie Morgan (Cardiff, North) *rose—*

Mr. Evans: The hon. Member for Cynon Valley said that she hopes that there will be a gender balance in the new Assembly. That is only a hope and an aspiration; unless the Labour party loads its list system, it may not happen—and loading the list system for the Assembly will simply give power to the party rather than to the people. She also mentioned the problem over questions to the Executive.

Ms Morgan *rose—*

Hon. Members: Give way.

Mr. Deputy Speaker: Order. The hon. Member for Cardiff, North (Ms Morgan) must know that the hon. Gentleman does not wish to give way.

Mr. Evans: I have only 10 minutes, Mr. Deputy Speaker.

If Labour Welsh politicians would table more questions on the Order Paper, they would have more questions called.

In 1979, the Welsh people voted four to one against devolution. There has been no change. If the answer to the question is that we need 60 more politicians and extra civil servants, I worry about the question being asked. The people of Wales want better government, not more government; they certainly do not want more expensive government. We have been able to squeeze out of the Government the fact that, for the first four years, the Welsh Assembly will cost £100 million. Let every Labour politician go back to his or her constituency and say that they want that money spent on a Welsh Assembly rather than more teachers in schools, more nurses in hospitals and more policemen on streets and then listen to what the people of Wales have to say. That is the voice of Wales.

We shall see a turbo-charged county council with Assembly members on turbo-charged salaries. The Secretary of State admits that the Assembly can always be overruled by the Westminster Parliament. The right hon. Member for Swansea, West managed to squeeze that concession out of him. If so, why bother going ahead with an Assembly? It is as if the people of Scotland will have a Parliament with tax-raising powers, yet Wales will be offered something less.

Being a Welshman, I know that Wales can sing. Despite the delights of Wales with Bryn Terfel and the Morriston Orpheus choir, Wales will be turned into the land of talk and each word will be extremely expensive, with a £100 million start-up. Welsh taxpayers, along with my constituents in Ribble Valley, will help to pick up that tab. That is where the common sense of the Welsh people will come in.

Furthermore, the Assembly is regarded by nationalists and many in Wales as a stepping stone to an independent Wales. We have heard that before from members of Plaid Cymru and other nationalists in Wales. In 1977, Lord Crickhowell said that the Assembly

"threatens the unity of Britain by seeking to establish a system that would focus discontent and concentrate it in a form likely to create hostility to this Parliament and the constitutional arrangements themselves".

He was right in 1977 and he is right 20 years later. It is inevitable that, once the Assembly is set up, it will go on a power grab. Unlike the Secretary of State, it will want something real to do. It will grab many powers not only from Westminster, but from local authorities, as the hon. Member for Rhondda pointed out.

The right hon. Member for Swansea, West said on Tuesday that this was a constitutional magical mystery tour. I am not sure that he was right. We can picture the Secretary of State with his hands on the wheel of his tired old jalopy, with 11 points on his driving licence for driving without due care and attention and his eyes more on his unwilling, hostile and complaining passengers than on the road ahead. The louder the shouts from his passengers to stop the bus, the harder he pushes his foot down on the accelerator, believing that speeding towards the cliff will allow him to jump the gap in his flawed logic—that it is possible to create the Assembly without giving it any real powers, and more and more powers in the future. It is not a magical mystery tour, because we know exactly where it will end.

What is the point of setting up the Assembly? If it is designed to satisfy the demands of Welsh nationalists, it fails because of its limited powers. If it is designed to safeguard Welsh culture, it is unnecessary because the previous Conservative Government did more to promote the Welsh language and culture than any of their predecessors. If it is designed to promote business in Wales, people need only look at the Conservative Government's record on investment in Wales, especially during the past 12 months when my right hon. Friend the leader of the Opposition was Secretary of State for Wales. The proposal is an ill-thought-out hotch-potch that will cause discontent and nationalist fervour to flourish.

We wonder about the role planned for the Secretary of State. We can imagine him sitting at the Cabinet table acting as the errand boy. We can imagine the Prime Minister stuttering, "G-G-Granville, t-take these groceries t-to the Welsh Assembly. D-d-don't forget to p-pick up its order on t-the way back." It is a messenger boy role for the right hon. Gentleman.

Will the Secretary of State go to the Assembly? If he does, will he be its leader—something with which the *Western Mail* tried to frighten the Welsh people recently. Who will he speak for—the Assembly or the Westminster Parliament?

Mrs. Betty Williams (Conwy) *rose—*

Mr. Evans: No. I shall not give way.

We need to know the answer, because the proposal for an Assembly will put the Barnett formula at risk, as we heard from the right hon. Member for Llanelli. It will risk

[Mr. Evans]

the over-representation of Members of Parliament from Wales at Westminster, as we heard from my hon. Friends the Members for Shropshire, North and for Faversham and Mid-Kent. It will put at risk the rate support grant to local authorities as the Welsh Assembly tries to take some of the money for itself. It will force up council tax for the Welsh people. They will have to meet the £100 million cost and higher taxes.

Mrs. Williams: Will the hon. Gentleman give way now?

Mr. Evans: Some people—

Hon. Members: Give way.

Deputy Speaker: Order. It is clear that the hon. Gentleman is not giving way.

Mr. Evans: Some people will say that the Government's proposals are half-baked. If only they were. They are still in the mixing bowl, congealing. They are being rushed through the House—we have just this one debate today. The Welsh Grand Committee will not examine them. We do not have a Bill to examine, just a White Paper. The people of Wales have eight weeks to study these proposals—over the summer, when many of them will be on holiday. It is a measure of the Government's confidence in their proposals that they are pushing them through with as little open debate as possible. At the same time, they intend to stuff Welsh letter boxes with their White Paper, but no funding will be provided for the other side of the debate.

Mr. Ron Davies: Is the hon. Gentleman suggesting that we should make public money available for the yes and the no campaigns?

Mr. Evans: No. I am suggesting that £700,000 could be saved by not stuffing the White Paper through the door of every household in Wales. After all, it was printed in the *Western Mail*, so every household could have read it this week.

Why is the referendum in Wales being held a week after the referendum in Scotland? Is it a cynical ploy by the Government, who might think that they have a better chance in Scotland of getting their proposals through? Do they think that, after the referendum in Scotland, they will be able to bounce the Welsh people into voting yes on 18 September? I can tell the Secretary of State now that the Welsh people will not be bounced into voting yes. They will use their common sense on 18 September. They will not be treated as the dessert to the Scottish dog's dinner, and they will be voting no.

If we are being presented with Labour's flagship, I can say only that it is badly holed. I am not surprised, given its motley crew. The members of its crew are steering the ship on to the rocks of common sense.

Our constitution cannot be compared with Cardiff Arms park—it cannot be dismantled and then put back together, brick by brick, with the expectation that it will be the same. Once the foundation bricks are removed, the entire structure is in danger. The Government's proposals will be bad for the United Kingdom and especially bad for Wales. That is why the people's movement is gaining strength. It is also why Viscount Tonypandy, a respected former Speaker, said that the Welsh people must not be misled

"by this foolish proposal of a Welsh Assembly. A Welsh Assembly will fan the flames of nationalism, and that would do no good at all for jobs or the cultural life of Wales."

"Mae hen wlad fy nhadau yn annwyl i mi".

The land of my fathers is dear to me. It is dear to all those who live in Wales as it is to those who live in Scotland, England, Northern Ireland and the rest of Europe, along with those who live in other parts of the world. They and I have pride in Wales. They and I see the strength of the United Kingdom. They and I will be campaigning and hoping for a no victory on 18 September.

2.20 pm

The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain): I admire the cheek, if nothing else, of Conservative spokesmen. The fat-cat party is quibbling about Assembly levels of expenditure that will be determined not by Members of the House of Commons or by Assembly members, but by the independent Senior Salaries Review Body. If the cost of the Assembly amounts to 0.3 per cent. of the total budget, a figure of which the right hon. Member for Devizes (Mr. Ancram) is apparently ignorant, it will be money well spent in beginning to dismantle the Tory quango state. We shall start to make huge savings in the cost of the quangos.

Mr. Ancram: How many teachers' jobs?

Mr. Hain: The right hon. Gentleman asks how many teachers' jobs will be equivalent to the expenditure to which I have referred. That is enormous cheek when we remember that the Conservative Government over the past year cut 600 teaching jobs. They cut also hundreds of nursing jobs. It is—*[Interruption.]* The right hon. Gentleman lectures us about council tax. The Conservative Government—*[Interruption.]*

Mr. Deputy Speaker: Order. The right hon. Member for Devizes (Mr. Ancram) has had his say, and he must allow someone else to speak.

Mr. Hain: The Conservative Government imposed swingeing council tax increases on almost all Welsh unitary authorities over the past year or two, and it is not for them to bleat on about the council tax issue.

The right hon. Member for Devizes talks about millions of pounds and plucks figures out of thin air, as did two Conservative Secretaries of State for Wales. The right hon. Member for Wokingham (Mr. Redwood) said that the Assembly would cost £100 million. The right hon. Member for Richmond, Yorks (Mr. Hague) halved that and said that it would cost £50 million. At the same time, there are many crocodile tears about nurses and teachers.

The right hon. Member for Devizes and his Conservative colleagues on the Opposition Back Benches claim to speak for the people of England. I remind them that the people of England overwhelmingly supported the Labour party's policy for a devolved United Kingdom. The Conservatives polled only 34 per cent. of the vote in

England. They may be a little Englander party, but they do not speak for England. They certainly do not speak for Wales or Scotland.

I welcome the fact that my right hon. Friend the Member for Swansea, West (Mr. Williams)—I have a close relationship with him as a colleague in West Glamorgan and as a fellow Labour Member—will not be joining the Tories in the no campaign. I agree with him that any personal abuse that there has been should end.

Mr. Llew Smith: Will my hon. Friend give way?

Mr. Hain: No. I am not giving way to anyone. I do not have the time to do so.

Any personal abuse that there has been in the campaign so far must end. I agree fully with my right hon. Friend the Member for Swansea, West on that score.

Having been a bit of a rebel myself over the years, I do not ask for blind loyalty. No one is asking for that. However, the Labour Government were elected overwhelmingly in Wales on the policy of a Welsh Assembly. All 34 Labour Members were elected on a manifesto commitment that was crystal clear. In addition, the Labour party has unanimously passed this policy at successive conferences. We are entitled to expect Labour party members up and down the country to take note of that.

The hon. Member for Brecon and Radnorshire (Mr. Livsey) made an important point about rural policy, as did my hon. Friend the Member for Gower (Mr. Caton). We believe that the powerhouse agency will provide a more comprehensive and coherent policy for all rural areas of Wales. Far from retreating from a strong rural policy, we shall strengthen and upgrade the rural perspective of our policy across Wales.

I welcome the maiden speech of my hon. Friend the Member for Vale of Clwyd (Mr. Ruane), who is a worthy champion of north Wales and of his constituents. I draw the House's attention to what he said, which no doubt others, such as my hon. Friends the Members for Clwyd, West (Mr. Thomas) and for Conwy (Mrs. Williams), would have said if they had been able to speak in the debate. All the north Wales Members support a Welsh Assembly, because they know that it will give north Wales a new voice not just in Wales, but in Britain, in Europe and internationally.

I assure my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) that, like the Welsh Development Agency and the other economic agencies, the powerhouse will have operational independence. He asked about paragraph 2.24 of the White Paper, which refers to inward investment. It does no more than describe the existing situation as it affects the Invest in Britain Bureau, which prevents bidding wars between the different constituents of the United Kingdom. There is certainly no watering down of protection for Wales.

The White Paper lays out a series of principles on an Assembly for Wales. It will be up to hon. Members, such as my hon. Friend the Member for Merthyr Tydfil and Rhymney, to put detailed points in Committee. If their points have merit, we shall take them on board in the spirit of inclusivity with which we have governed Wales in our first three months. The White Paper stands as the manifesto on which we shall go to the people of Wales on 18 September with confidence.

My hon. Friend the Member for Rhondda (Mr. Rogers) made a number of points about local government. Every local authority in Wales has enthusiastically supported the Government's programme for a Welsh Assembly. I agree with him that there should be no false nationalism. Indeed, I believe that the policy for a Welsh Assembly will bury for ever the separatist fantasy that Wales can go it alone as an independent republic.

My hon. Friend the Member for Wrexham (Dr. Marek) make some fair points about higher and further education, which we shall have to take into account. I agree that it will not be a Labour Assembly or a Cardiff Assembly: it will be a Welsh Assembly that represents all the people of Wales.

My hon. Friend the Member for Cynon Valley (Ann Clwyd) made some telling points about the under-representation of women not just in this Parliament but in Welsh cultural life at senior levels. It is incumbent on all political parties, when selecting candidates for the Welsh Assembly, to ensure that we achieve the goal of equal representation for women and men. I reassure my hon. Friend that the Labour will take a lead on that. I also welcome the point made by my hon. Friend that the vast majority of Labour Members, including many who have not had a chance to speak today, support the Government's policy, and will campaign actively for a yes vote.

The Government propose a modern constitution for Britain, which will include regional government in England, starting with a referendum in London and the setting up next year of powerful English regional economic development agencies. What the Conservatives and other opponents of a Welsh Assembly are really saying is that Scotland will have its own Parliament, the English regions will have their own regional bodies and Northern Ireland will have a measure of self-government, but Wales must be isolated as the only part of the United Kingdom that chooses to be ruled from London. Even by the Tories' own standards, that is an utterly incredible and insulting position.

The Tories are again treating Wales with contempt, as if it were a second-class nation deserving second-class treatment. My hon. Friend the Member for Swansea, East (Mr. Anderson) made the telling point that the Tories have always opposed democratic advance, throughout the history of British parliamentary democracy and its origins. Why do they not come clean and mount their own no campaign? The Labour party has mounted a yes campaign. Why are the Tories so shy? Why are they sheltering furtively behind other no campaigners? Why are they using the no campaign as a Tory front organisation—because that is what it is?

The Tories should stop trying to hoodwink the people of Wales again. They should be in no doubt that the referendum campaign will be an action replay of the general election campaign. Once again, it will be Wales against the Tories. Not only will a big yes vote deliver a voice for Wales but the referendum will be an opportunity to beat the Tories for a second time.

The Tories have attacked Wales for decades, if not for centuries—

It being half-past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Mr. Flynn: On a point of order, Mr. Deputy Speaker. While I make no criticism of you or the other Deputy

[Mr. Flynn]

Speaker who chaired this very good debate, could we make the point that, while some say that the Welsh Assembly will be a talking shop, for 10 hon. Members this morning who represent Welsh constituencies, this Parliament was a non-talking shop? We had no opportunity to express our enthusiasm, excitement and exhilaration about the prospect of a Welsh Assembly.

Mr. Deputy Speaker: That matter is not in my hands but in the hands of other hon. Members. If their speeches had been shorter, I would have called more hon. Members.

SELECT COMMITTEES RELATED TO GOVERNMENT DEPARTMENTS

Ordered,

That—

(1) Standing Order No. 152 (Select committees related to government departments) be amended, in the Table in paragraph (2), in the item relating to the National Heritage Committee, by replacing the words 'National Heritage/Department of National Heritage' with the words 'Culture, Media and Sport/Department for Culture, Media and Sport'; and

(2) all proceedings of the House and of its Select Committees in this Session in respect of the National Heritage Committee shall be deemed to have been in respect of the Culture, Media and Sport Committee.—*[Mr. Jon Owen Jones.]*

SITTINGS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 31st July, the Speaker shall not adjourn the House until she shall have notified the Royal Assent to Acts agreed upon by both Houses.—*[Mr. Jon Owen Jones.]*

LIAISON

Ordered,

That Mr. Donald Anderson, Mr. Andrew F. Bennett, Mrs. Gwyneth Dunwoody, Mr. Derek Foster, Mr. Bruce George, Mr. David Hinchliffe, Ms Margaret Hodge, Mr. Jimmy Hood, Mr. Martyn Jones, Mr. Gerald Kaufman, Mr. Archy Kirkwood, Mr. Peter Luff, Mr. John McWilliam, Mr. David Marshall, Mr. Rhodri Morgan, Mr. Chris Mullin, Mr. Martin O'Neill, Mr. Giles Radice, Mr. Robert Sheldon, Mr. David Tredinnick and Mr. Bowen Wells be members of the Liaison Committee.—*[Mr. Jon Owen Jones.]*

PUBLIC ACCOUNTS

Ordered,

That Mr. Alan Campbell, Mr. Geoffrey Clifton-Brown, Mr. David Davis, Mr. Ian Davidson, Mr. Geraint Davies, Maria Eagle, Jane Griffiths, Mr. Phil Hope, Mr. Christopher Leslie, Mr. Andrew Love, Mr. Robert Maclennan, Mr. Richard Page, Mr. Charles Wardle, Mr. Dafydd Wigley and Mr. Alan Williams be members of the Committee of Public Accounts.—*[Mr. Jon Owen Jones.]*

Pensions (Mis-selling)

2.31 pm

Mr. Andrew Love (Edmonton): I am grateful to Madam Speaker for giving me an opportunity to raise this critical issue before the summer recess.

"One of the biggest financial scandals in British history."

Those are not my words, but the headline from a Sunday newspaper earlier this year, which described its view of the mis-selling of pensions scandal. A bit of journalistic licence, no doubt, but the headline reflects the true scale of the scandal in terms of both the numbers of people directly affected and the level of financial loss that they have incurred. It also reflects the impact that the events have had on the wider pensions industry.

Pensions are about providing security in old age. It can be provided only through long-term savings, which depend critically on trust and consumer confidence. Both have been undermined as part of the fallout surrounding the scandal and the failure of the pensions industry to identify and compensate those affected.

The scandal could not have reached the proportions it has had it not been sustained by a potent mix of ideological prejudice and institutional incompetence. The conditions for it were created by a Government intent on offloading those on state pensions into individualised schemes in the private sector. That was done through a combination of bribes at the taxpayer's expense and an expensive advertising campaign to promote such schemes.

It was fuelled by a pensions industry unable and unwilling to restrain the baser instincts of its sales staff, whose salaries were almost exclusively dependent on making a sale and earning a commission. It was sustained by a regulatory regime that failed adequately to tackle the mounting evidence of mis-selling or set effective deadlines for redress. It was writ large by a combination of pensions industry indifference and the palpable failures of self-regulation.

It all started in 1988, the year in which personal pensions were launched and when the main provisions of the Financial Services Act 1986 came into force. However, it was not until December 1993, a full five years later, that the issue of mis-selling first came to light. At that time, the Securities and Investments Board commissioned KPMG, a leading firm of City accountants, to review the files of a sample of clients who had been sold personal pensions. Only 9 per cent. of those files showed evidence of substantial compliance with the rules, and the report classified 37 per cent. of the files as suspect.

Personal pensions were supposed to be sold against rigorous standards that were set out in the Financial Services Act. Not only should clients receive best advice on the choices before them, which would have included remaining with their existing pension providers, but sales staff also had a duty to find out about current pension arrangements and financial circumstances. To underpin those standards, the Government set up a number of watchdogs. The problem was that, under self-regulation, the watchdogs were those who were selling personal pensions.

Despite the overwhelming evidence of mis-selling that emerged in late 1993 and early 1994, it was almost a year before the SIB published a programme for securing

redress for the victims of mis-selling. The extent of the scandal began to emerge at that time. It was on an unprecedented scale, with more than 570,000 priority one cases—those at or near retirement—and a further 1 million to 2 million cases involving younger people. There is some evidence that those may be underestimates, because some sections of the industry have shown a marked reluctance to alert their clients to the fact that they may have been mis-sold pensions and are due for compensation.

Various deadlines in 1995 and 1996 were set for the review of cases of the different priority groups. None has been met. In the two and a half years following the first evidence of mis-selling, the pensions industry was able to deal only with just under 1 per cent. of priority one cases.

That lamentable record was matched, if not exceeded, by that of the Conservative Government. They did nothing, because they were responsible for creating the climate in which mis-selling could take place. Their failure can be summed up by the fact that more than 18,000 people who were mis-sold personal pensions died during their administration without receiving compensation.

I am pleased to see that the Government have been and will be more robust in meeting the new deadlines for case review and for the payment of compensation. The decision to get tough, and to name and shame those who are dragging their feet, has been universally welcomed by Labour Members, by those directly affected, and by the public. They have been welcomed by everyone except some of the companies involved, and by Opposition Members, who are absent for the debate and who remain strangely silent on the issue.

I note the new determination of City regulators to enforce the review deadline with a threat of heavy fines for companies that do not comply. All that is welcome.

Before I am accused of knocking the pensions industry as an easy target, I shall put to the Minister two of its concerns about the continuing delay in the processing of claims. I have been told by those companies that want to clear up the mess that they are being hampered by the pension funds of small and medium-sized companies, which do not have the resources to respond with the basic information that is necessary to agree compensation.

There is also concern over the prospects of reaching an agreement with the regulatory organisations about practical schemes which, I am told, many companies are anxious to develop to resolve outstanding claims. Perhaps the Minister will comment on that. Even assuming that its concerns are valid, the pensions industry would have to accept that the latest published figures to the end of June, which show that only two of the 24 companies have managed to compensate more than one in 10 of their cases are deplorable.

Even allowing for the argument of the Association of British Insurers that the figures include a considerable number of cases where no mis-selling has been found—and I would certainly wish to argue with it about the numbers—there is still a considerable mountain to climb to complete the review by the end of the year.

Recognising that the Government's freedom of action is somewhat constricted by the threat of litigation, I wonder what further action the Minister could contemplate, to achieve, in her own words:

"the Government's determination that this matter be resolved with dispatch".

What scope does she have for the extension of sanctions against companies that simply refuse to take the steps necessary to deliver the targets for completion of case reviews set by the regulators?

If companies continue to refuse to adopt the type of practices that the Government believe will hasten the conclusion of case reviews, will my hon. Friend consider further sanctions? Recently, the Minister for Welfare Reform suggested extending the powers of the Personal Investment Authority to include fines on directors. What scope exists to disqualify company directors who continue to refuse to comply?

In the context of the recently announced pensions review, I hope that the Minister will confirm that the Government will not consider extending the scope of privately funded pension arrangements before the issue of mis-selling has been resolved, and that those companies that fail to meet the targets set by the regulatory authorities will prejudice their inclusion in any new arrangements following that review.

The mis-selling of pensions exposed all that is wrong with self-regulation. As a result, I welcome the Government's commitment to statutory backing through a new financial services Act and the creation of what has been called Super SIB. However, we must recognise the concern of much of the industry that those changes should not lead to an increase in industry compliance costs, which will inevitably filter through to the consumer.

Regulation must be at a level that has the confidence of the consumer, and re-establishes the trust that has been so badly dented through this whole fiasco; but regulation must also be delivered at a cost that can be justified. Achieving a balance that creates a framework of effective regulation that is appropriate, responsive and flexible will be one of the foremost challenges facing the new arrangements.

One of the lessons of the recent past is the need for greater transparency, in terms of both the financial arrangements underpinning personal pensions and the degree of independence of so-called "independent" financial advisers. The Consumers Association has campaigned for a fee-based system, under which people pay for genuine advice from truly independent financial advisers, rather than having people posing as such, as at present.

Although changes have been made in the financial arrangements for personal pensions, there is some evidence that sales staff are still too dependent on commissions, and that the level of training is not appropriate. As a result, human nature could again undermine confidence in the industry, which is so vital to its future.

The Minister has made it clear more than once that her decision to review progress and to publish information is in the public interest. I agree. One of the problems that has undermined consumer confidence in the industry is the lack of published information. Real benefits to the consumer would accrue from the provision of simple and easily understood information about the financial aspects of personal pensions.

Much of the excuse for the obsessive secrecy of the industry is the highly technical nature, it is claimed, of much of that information, but that could be presented in a more user-friendly way, and it should be possible to

[Mr. Andrew Love]

introduce chartermarks to help consumers to find their way with confidence through the maze of pension products available in the marketplace.

It is only by a combination of prompt and determined action to end this sorry saga, and new and more effective regulation, that it will be possible to re-establish that trust with the public, so that private pensions, for defined groups in certain circumstances, can hold out the promise of security in old age.

2.44 pm

The Economic Secretary to the Treasury (Mrs. Helen Liddell): I congratulate my hon. Friend the Member for Edmonton (Mr. Love) on his success in securing this debate, which is of great interest to many of my hon. Friends. I congratulate him also on his truly superb speech, which has put the issue in context. He is right to draw attention to the fact that no Conservative Members are present to discuss an issue that affects 600,000 people in the short term, and possibly 2 million more. Perhaps it is a measure of the Conservatives' guilt, or their lack of concern for the many innocent people who were duped as a result of legislation introduced by the previous Government.

My hon. Friend is right: the previous Government created a climate in which it was acceptable to rip people off by selling pension products. He is right to draw attention to the expensive advertising campaigns that were launched. He is correct also to draw attention to the previous Government's almost complete inaction when the scale of the problem became obvious.

My right hon. and hon. Friends are concerned about this matter because many people visit our constituency advice offices as a consequence of pension mis-selling. Some of the cases are horrendous. There are many widows of miners in my constituency, and it is heartbreaking trying to deal with the consequences caused by the mis-selling of pensions to their late husbands, who thought that they were providing well for their wives, but who, through no fault of their own, have left them in penury.

I turn to the actions of the new Government since our election on 1 May. With the encouragement of the Chancellor of the Exchequer—who also represents a mining area and whose constituency, like those of many of my hon. Friends, comprises many public sector employees—I called a meeting of the 24 worst-performing companies in an attempt to resolve the pension mis-selling problem. My main priority was to get them to act on the 600,000 priority cases involving people who are at or near retirement.

Some 24 people met me at the Treasury, and I could see from the looks on some faces that it had only just dawned on them that the problem affects real people, is causing real anger in the country and is affecting the reputation of a very valuable sector of the British economy. It is deplorable that a key high-performing, high-profit industry should have an appalling reputation that rivals that of Arthur Daley as a result of pensions mis-selling. It is in the interests of the industry and of the people affected to resolve the matter.

I challenged those companies to come to me within a month with details of how they intended to handle the cases, and I undertook to publish every month the details of their progress. I did not take such action in order to name and shame, as the newspapers have claimed, but because the people affected have a right to know that their Government are as concerned and as horrified about the problem as they are.

When I published the first results of the inquiry at the beginning of this month in answer to my hon. Friend the Member for East Ham (Mr. Timms), I was horrified. The situation is worse than even I had expected. There is nothing to be gained by condemning the companies involved; they stand condemned by their own actions. I am anxious to ensure that people get redress quickly. I say to those companies—through you, Mr. Deputy Speaker—that it is not acceptable to take short cuts that result in people being worse off at the end of the process than at the beginning.

I am worried by reports from some of my hon. Friends that some individuals are being put under unacceptable pressure to settle by companies that mis-sold them pensions as a means of improving their statistics in the returns that I am asking for. I am not prepared to be hoodwinked by such action. I know that responsible companies will be appalled that that is going on.

I am aware that companies are experiencing some difficulties. I have made it clear that, if they come to me with their difficulties and if they stand up to investigation, I shall be happy to act. If necessary, my hon. Friend the Minister for Welfare Reform and I will talk to small and large companies in difficulty. I have asked those of my right hon. and hon. Friends whose ministerial responsibilities relate to pensions to ensure that pension funds in their areas are diligent in settling cases.

I accept the point that the insurance companies made to my hon. Friend the Member for Edmonton. I am tired of excuses, but I shall take action if excuses are justified.

I understand that discussions are going ahead on the slowness of the regulatory authorities in dealing with special schemes to settle. The regulators are in no doubt about my determination to resolve the issue.

I have nothing to gain from criticising the regulators. We have to work together to resolve the issue. I am sure that those in this House and further afield will not miss the fact that one of this Government's early acts was to announce our determination to review and reform financial services regulation.

My hon. Friend has asked what further action I shall take. He has made several excellent suggestions, which I shall consider. I shall not go into detail, and I am sure that my hon. Friend will understand why. In the autumn, I must decide what further action I must take to ensure the swiftest possible progress on the issue. I shall rule nothing out. That means that I shall take account of the powers I already have, and if new powers are required, I shall not hesitate to seek a means of acquiring them.

My hon. Friend is right to raise the question of independent financial advisers. They have managed to escape the main brunt of the Government's criticism—not because we are lax on them, but because there are 6,000 of them and we are currently researching their performance. I am largely appalled by the stories that I have heard from that sector as well. There is a need for better training and better standards. My hon. Friend is right to point to the plans that we are likely to have for the future of pensions. We shall bear in mind our

experience in resolving the mis-selling of pensions when we look to the future. My hon. Friend is also right to make the case for transparency.

My hon. Friend has given me an opportunity to tell the pensions industry that I want to co-operate with it to ensure that it gives people security well into the next century. The only way to secure that is by ensuring that we resolve this fiasco as quickly as possible. In the next few months, I shall encourage those of a younger generation who have bought personal pensions to check those products so that we can be sure that there is not a time bomb for the future, left to us by a previous Government who were more interested in a quick buck than in the well-being of the most vulnerable in our community.

I congratulate my hon. Friend again. He can be assured that the new Labour Government will do everything in our power to resolve the problem of the mis-selling of personal pensions.

Question put and agreed to.

Adjourned accordingly at seven minutes to Three o'clock.

Written Answers to Questions

Monday 14 July 1997

TREASURY

1998 Budget

Mr. Key: To ask the Chancellor of the Exchequer if his Budget in March 1998 will be unified to include public expenditure plans. [7709]

Mr. Darling *[holding answer 10 July 1997]:* In the Budget, my right hon. Friend the Chancellor announced revised spending allocations for 1998–99. The timing of announcements for the years 1999–00 and beyond will depend on the progress of the Comprehensive Spending Review which is due to conclude in the middle of next year.

Employer Pension Funds

Mr. Webb: To ask the Chancellor of the Exchequer what estimate he has made of the cost to *(a)* local authorities and *(b)* the national health service of making good the shortfall in employer pension funds arising from his Budget measures. [7772]

Mr. Darling *[holding answer 10 July 1997]:* There are around a hundred local authority pension funds. The position will vary depending on factors such as financial circumstances and the make up of investment portfolios. For example, many funds have surpluses which can be used to help cushion the effect. Pension schemes should also benefit from improved company performance as a result of quality long term investment being encouraged. Although the loss of tax credits will have some impact on the income of local authority pension funds, the extent to which these changes feed through to authorities' budgets will depend on the overall judgements made by the funds' actuaries as they undertake revaluations due from next year. Their conclusions will not be reflected in contribution rates before 1999–00 at the earliest. The Budget changes will not adversely affect the NHS scheme on present assumptions, since it is based on a notional fund assumed to be invested entirely in Gilts.

Public Sector Borrowing Requirement

Mr. Home Robertson: To ask the Chancellor of the Exchequer if *(a)* funding for house building by local authorities from borrowing against their own housing revenue accounts, *(b)* funding of developments by public authorities for water and sewerage services if such authorities are constituted as mutually owned businesses and *(c)* funding of support for agriculture which is fully refunded by the European Union, are regarded as part of the public sector borrowing requirement in (i) the United Kingdom and (ii) other individual members of the European Union; and if he will make a statement. [7694]

Mr. Darling *[holding answer 10 July 1997]:* The public sector borrowing requirement (PSBR) measures total borrowing by the public sector—by central government, local authorities and public corporations—from the private sector and overseas. Any spending by a public sector body that is not covered by receipts will add to the PSBR. The PSBR is a UK measure and is not used by other EC member states, although they may measure their borrowing requirements in a similar fashion to the United Kingdom.

Strategic Defence Review

Mr. Key: To ask the Chancellor of the Exchequer how many of his officials, and at what grades, are assisting *(a)* the Ministry of Defence and *(b)* the Foreign and Commonwealth Office with the Strategic Defence Review. [6756]

Mr. Darling: The number and grade of the officials involved in the Strategic Defence Review will depend on the issues that arise and the nature of their responsibilities.

Windfall Tax

Mr. Colvin: To ask the Chancellor of the Exchequer if he will publish the representations he has received from the privatised water companies about the windfall tax; and if he will make a statement. [8535]

Mr. Geoffrey Robinson: Treasury Ministers are treating representations from companies and other bodies as confidential. If companies wish to make their views public, that is for them.

Mr. Colvin: To ask the Chancellor of the Exchequer what is his definition of excess profit for the purposes of the windfall tax. [7252]

Mr. Robinson: Details of the windfall tax are set out in the Finance Bill. Clause 1 and Schedule 1 of the Bill set out how the amount of a company's windfall is to be calculated.

Departmental Spending Controls

Mr. Dafis: To ask the Chancellor of the Exchequer if he will list the new control totals of spending, by Department, for 1988–89 on the format produced in the Red Book for 1997–98. [7154]

Mr. Darling: Figures for planned spending in 1998–99 for each department were published in table 1.2 of the *Public Expenditure Statistical Analyses 1997–98,* Cm 3601. Apart from some minor technical changes discussed in the *Financial Statement and Budget Report,* paragraph 4B.14, these have been updated only to take account of the allocation of the existing Reserve to the Government's priorities of health and schools. The spending announced in the Budget on the Welfare to Work package and investment in housing under the Capital Receipts Initiative is additional to the Control Total.

Control Total by Department	*£ million*
Defence	22,276
Foreign Office	1,074
International Development	2,321
Agriculture, Fisheries and Food	3,416
DTI—Programme	3,051
DTI—Nationalised Industries	–176
ECGD	1
DETR—Transport	4,589
DETR—Local Government	32,581

Control Total by Department	[1] *£ million*
DETR—Other	7,557
Home Office	6,801
Legal Departments	2,747
Education and Employment	13,945
National Heritage	959
Health	36,362
Social Security	83,101
Scotland	14,620
Wales	6,987
Northern Ireland	8,315
Chancellor's Departments	3,199
Cabinet Office	1,034
European Communities	2,392
Local Authority self-financed expenditure	13,700
Reserve	2,800
Control Total	273,600

[1] Figures are rounded to the nearest £1 million, except LASFE, the Reserve and the Control Total, which are rounded to the nearest £100 million.

Private Finance Initiative

Mr. Forth: To ask the Chancellor of the Exchequer if he will give for the review of the Private Finance Initiative *(a)* the expected completion date and *(b)* the cost of conducting the review. [8258]

Mr. Geoffrey Robinson: The review of the Private Finance Initiative was completed on 13 June, and the summary and recommendations were released on 23 June. It was undertaken by an independent expert at no cost.

Comprehensive Spending Review

Mr. Forth: To ask the Chancellor of the Exchequer if he will give for the spending review *(a)* the expected completion date and *(b)* the cost of conducting the review. [8263]

Mr. Darling: I expect the Comprehensive Spending Review to last approximately 12 months. The costs of the Review will be absorbed in the relevant departments running costs as would any similar review to look at improving efficiency and effectiveness.

Customs (Staff)

Mr. Timms: To ask the Chancellor of the Exchequer if the reductions in Customs anti-smuggling staff planned under the Department's 1994 fundamental expenditure review are to be proceeded with. [8760]

Dawn Primarolo: I have reviewed with Customs the previously planned intention to reduce the number of frontier anti-smuggling officers by some 300 posts during the current year. We face a growing world-wide threat of drug smuggling which is increasingly diverse and cunning. In the light of this I have decided that in the present circumstances it would not be prudent to go ahead with these cuts and the posts are to be retained. Customs' target for the value of drugs prevented from entering Kingdom in the current year will be increased by £50 million.

This Government takes the threat of drugs very seriously, and we recognise that Customs anti-smuggling staff play a vital role at our frontiers in combating not only drug trafficking but also in detecting the smuggling of other prohibited goods, such as firearms, paedophile material, and commercial pornography, which post an unrelenting threat to society.

The Government is determined to maintain and strengthen the co-ordinated enforcement action against these evils in which Customs play a key role. Customs have a consistently strong record in the detection and investigation of drug trafficking, not only in the UK but in their contribution to the European and international effort.

Funding for these posts will be contained within Customs' existing provision in accordance with the Government's commitment to work within the Departmental spending limits we have inherited for this year and next.

National Lottery

Mr. Lansley: To ask the Chancellor of the Exchequer if he will estimate the tax gained or forgone on expenditure on the National Lottery relative to alternative forms of consumer expenditure. [3425]

Mr. Darling: The rate of duty on the lottery was originally set on the basis that it was expected to be broadly revenue-neutral—that is the revenue raised would broadly offset the indirect tax loss from expenditure diverted from other goods and services. We know of no evidence as yet to suggest that the Exchequer is gaining or losing substantial revenues as a result of the Lottery.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Water and Drainage Utilities (Information)

Mrs. Brinton: To ask the Secretary of State for the Environment, Transport and the Regions (1) what obligations are placed upon the privatised public utilities with particular reference to water and drainage companies, to maintain accurate records of services in the ground; [7245]

(2) under what arrangements public access to the complete records of adopted sewers installed by private contractors, previously available from the local council highways departments, is maintained. [7246]

Angela Eagle: Sections 198 and 199 of the Water Industry Act 1991 require water and sewerage companies to keep records, in the form of maps, of the location of every water main and adopted sewer vested in them and to make this information freely available for inspection at their offices at all reasonable times. The companies are also required to provide local authorities with copies of sewer maps and any modifications to them. There is no obligation for the companies to keep records of connections to water mains or of private sewers or drains.

Mrs. Brinton: To ask the Secretary of State for the Environment, Transport and the Regions what steps he will take to ensure that decisions on access to water authority and drainage authority information are clearly determined in accordance with the Construction (Design and Management) Regulations 1994. [7244]

Angela Eagle: The provision and availability of information relevant to health and safety is a fundamental requirement of the Construction (Design and Management) Regulations 1994. It is therefore an important consideration of Health and Safety Executive (HSE) inspectors when determining compliance with the Regulations. Inspectors already give advice or take formal enforcement action in support of this requirement, when appropriate.

VAT (Fuel)

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact of the recent reduction in VAT on domestic fuel on the Government's environmental obligations; and if he will make a statement. [7660]

Angela Eagle: We estimate the reduction in VAT on domestic fuel to 5 per cent. will result in an annual increase in carbon dioxide emissions of about 0.24 million tonnes of carbon by 2010, (about 0.15 per cent. of current carbon dioxide emissions). We shall take account of this effect in developing the programme to meet our target to reduce total carbon dioxide emissions by 20 per cent. by 2010.

Protection from the effects of global warming and the development of sustainable environmental policies cannot proceed in isolation from considerations of social equity. We are developing policy options which will contribute towards our 2010 target and which will include improvements in domestic and industrial energy efficiency, an integrated transport policy to tackle the projected growth in emissions from road transport, and an increase in the amount of electricity generated from renewable sources and combined heat and power schemes.

Household Waste Recycling

Mrs. Ballard: To ask the Secretary of State for the Environment, Transport and the Regions what targets he will be setting for recycling of household waste. [7439]

Angela Eagle: We will be considering the need for any changes to existing targets for the recovery and recycling of household waste in the light of progress made so far. It is important to improve recycling and increase the proportion of waste managed by the options towards the top of the waste hierarchy. We will be looking carefully at the options for doing this as part of our wider assessment of waste management and recycling policy.

Hedgerows

Mrs. Ballard: To ask the Secretary of State for the Environment, Transport and the Regions (1) what plans he has to extend the time scale for determining applications for hedgerow removals; [7441]

(2) if he will revise the criteria determining whether or not a hedgerow is sufficiently important to be protected; [7442]

(3) if he will allow local authorities to charge for applications to remove hedgerows. [7443]

Angela Eagle: On 29 May the Government announced that a group would be set up, including representatives of statutory agencies, local authorities and the main farming and conservation bodies, to review how the Hedgerows Regulations 1997 might be strengthened. The group have been asked to make recommendations on the time allowed for local authorities to respond to hedgerow removal notices and on the criteria defining important hedgerows.

I have no plans to allow local authorities to charge for applications to remove hedgerows, though the Government would consider any recommendations of the review group in this regard.

Local Authority Pension Funds

Mr. Yeo: To ask the Secretary of State for the Environment, Transport and the Regions (1) when the last actuarial valuations of local authority occupational pension funds were carried out; [7886]

(2) at what intervals actuarial valuations of local authority occupational pension funds are carried out; [7887]

(3) how many local authority occupational pension funds were calculated to be in surplus at the time of the last actuarial valuation. [7889]

Ms Armstrong: The Local Government Pension Scheme Regulations 1995, which control this statutory scheme in England and Wales, requires actuaries, as part of each triennial valuation of the 87 separate local authority funds, to set an employer contribution rate to ensure solvency having regard to existing and prospective liabilities and the desirability of maintaining as constant a rate as possible. At the last valuation in 1995, all local authority pension funds complied with this requirement, and at that time the actuaries were able to report that 20 funds were actuarially assessed as having assets in excess of their liabilities.

Mr. Yeo: To ask the Secretary of State for the Environment, Transport and the Regions what was the total dividend income received by local authority occupational pension funds during the most recent available financial year. [7888]

Ms Armstrong: Information is only available to my Department on total investment income for the Local Government Pension Scheme, inclusive of UK and overseas dividend income, gilts and property. In 1995–96 the figure for England and Wales amounted to £2.1 billion.

Cleaner Fuels

Mr. Dalyell: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to the letter from the Parliamentary Under-Secretary of State of 23 June PT/EE/PSO/5476/97 if he will make a statement on the progress of negotiations to create cleaner fuels in Europe. [7935]

Angela Eagle: At the European Environment Council of 19–20 June this year, Ministers reached a common position on a directive setting standards for fuel quality. The United Kingdom argued that the standards proposed by the Commission were, in some cases, insufficiently

tight, and supported in particular a lowering of the Commission's proposals for the sulphur content of petrol (200 parts per million—ppm) and benzene (2 per cent.).

Mandatory standards for petrol and diesel were agreed for the year 2000 as follows: petrol—a sulphur content of 150 ppm, a benzene content of 1 per cent. and an aromatics content of 42 per cent.; diesel—a sulphur content, set at 350 parts per million. Other parameters for 2000 were agreed as proposed by the European Commission. The UK also supported, and Ministers agreed, the Dutch Presidency's proposal of indicative standards for the year 2005 of 50 ppm sulphur in both petrol and diesel (the latter to be phased in from 2005), and 35 per cent. aromatics content in petrol. These figures will be subject to review and the Commission will bring forward proposals by mid-1999 either to confirm or adjust them.

As the adoption of these directives is by the co-decision procedure, agreement with the European Parliament will have to be reached before the directive can be adopted.

UN Environment Programme

Mr. Singh: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement regarding the United Kingdom's funding of the United Nations Environment Programme. [8758]

Mr. Meacher: I attended the inaugural meeting of the United Nations Environment Programme's High-Level Committee of Ministers and Officials in New York on 28 June. I am glad to be able to report that this was a successful meeting. The Committee gave advice to UNEP's Executive Director on the main priorities for UNEP's Programme of Work. Given the positive outcome, especially on the way forward for UNEP, I announced at the close that the United Kingdom would, forthwith, lift the suspension of its annual voluntary contribution to the Environment Fund. I have, therefore, arranged for a payment of £4.35 million to be made as soon as possible to UNEP's Environment Fund.

Fossil Fuels

Mr. Dafis: To ask the Secretary of State for the Environment, Transport and the Regions if he will present to the Kyoto Climate Change Conference proposals to commit convention signatories to the phasing out of the use of fossil fuels. [7129]

Angela Eagle: I refer the hon. Member to the answer I gave my hon. Friend the Member for Linlithgow (Mr. Dalyell) on 30 June 1997, *Official Report*, column *49*. The EU has proposed that all developed countries should agree to *(a)* reduce their emissions of carbon dioxide and other main greenhouse gases to at least 7.5 per cent. below 1990 levels by 2005 and to 15 per cent. below 1990 levels by 2010 and; *(b)* adopt a number of binding and other policies and measures to achieve these targets.

Out-of-town Shopping Centres

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions what is the Government's policy towards out-of-town shopping centres; and if he will make a statement. [7659]

Mr. Raynsford: Planning policy guidance is contained in PPG6: Town Centres and Retail Developments. We have no current plans to change it.

Bed and Breakfast Facilities

Mr. Gordon Marsden: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to curb the development of unlicensed and unregistered private households offering bed and breakfast facilities to visitors outside the six-bed rule. [7713]

Mr. Raynsford: The "six-bedspace" exemption from rates was designed to ensure that those who provide extra accommodation in peak periods during the summer, or in out of the way places, are not put off doing so by the threat of a rates bill. However, we see no reason to exempt from rates anyone who offers accommodation when the use of property for this purpose is clearly non-domestic so, to qualify, the use of such property for bed and breakfast must be subsidiary to its use as a residence.

The Valuation Office Agency have issued guidance to their local offices on interpretation of the subsidiary use test to ensure that it is being applied correctly.

Local Authority Rents

Mrs. Ballard: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to return control over local authority housing rent levels to local authorities. [7464]

Mr. Raynsford: Local housing authorities set their own rent levels, reviewing them from time to time as circumstances require. In setting their rents they have regard to their statutory duty to balance the housing revenue account, taking account, among other things, of any housing revenue account subsidy payable to them for the year. We are currently examining the financing of local authority housing as part of our comprehensive review of spending.

Social Services Expenditure

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each of the last five years the standard spending assessment for social services for each local authority, the percentage change from one year to the next and the amount that was actually spent on social services in each of those years. [7438]

Mr. Raynsford *[holding answer 10 July 1997]:* I have arranged for the information requested to be placed in the Library.

Compulsory Competitive Tendering

Mr. Forth: To ask the Secretary of State for the Environment, Transport and the Regions if he will give for the review of compulsory competitive tendering *(a)* the expected completion date and *(b)* the cost of conducting the review. [8241]

Mr. Raynsford: The review of existing CCT legislation and guidance in England and Wales will be completed shortly. Following consultation, new

regulations and guidance will be issued in the autumn. The cost of conducting the review to the point of consultation on proposals is estimated at £36,500.

Local Government Finance (Bolton)

Ms Kelly: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the money Bolton will receive from the release of local authority capital receipts. [7930]

Mr. Raynsford: The Government provided figures illustrating alternative methods of distributing additional Supplementary Credit Approvals to individual local authorities in a table accompanying the consultation paper on proposals for implementing the capital receipts initiative in England. That paper was issued on 19 July and copies have been deposited in the Library of the House. Final allocations to individual authorities, however, will not be available until the consultation period has ended and we have given careful consideration to the comments received.

Planning Guidelines (MOD Land)

Mr. Viggers: To ask the Secretary of State for the Environment, Transport and the Regions what studies his Department is undertaking to redefine the planning guidelines and other framework provisions which apply when Ministry of Defence land is declared redundant with consequent disposal of the land by that Department. [7913]

Mr. Raynsford: My Department is currently preparing to commission research which will examine the relationship between the planning system; the advice currently provided to Government Departments by the Treasury on the disposal of redundant property; and the need to maximise the disposal value of such property, whilst taking full account of the wider economic and social regeneration considerations. The Government Offices in the Regions and the MOD are together drawing up, and intend to publish, guidelines on the disposal of redundant defence establishments. Our objective is to maximise their potential in order to mitigate the impact of closures on local communities, and to reduce the demand for development on greenfield sites, while at the same time protecting our historic heritage and general environment.

Youth Workers

Mr. Öpik: To ask the Secretary of State for the Environment, Transport and the Regions how many full-time youth workers are employed by each local authority in England and Wales. [8429]

Mr. Raynsford: This information is not available centrally.

Pollution

Mr. Singh: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for the implementation of EU directive 96/61, on integrated pollution prevention and control. [8759]

Mr. Meacher: The Government will tomorrow be issuing a consultation paper on the implementation of this important directive. I shall arrange for copies to placed in the Libraries of both Houses.

Sites of Special Scientific Interest

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many stop notices have been served in each year from 1985 to date to prevent damage to sites of special scientific interest; and in how many of those cases the stop notice was subsequently lifted and damage caused. [7611]

Angela Eagle: Nature Conservation Orders made by the Secretary of State for the Environment, Transport and the Regions are listed below:

Year	*Number of Orders (stop notices)*
1985–86	5
1986–87	1
1987–88	2
1988–89	0
1989–90	6
1990–91	3
1991–92	0
1992–93	1
1993–94	2
1994–95	2
1995–96	2
1996–97	2
1997–	1

Eleven Orders have subsequently been revoked. There have been no instances of damage following revocation.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many sites of special scientific interest were damaged in each year from 1985 to date; and what were the causes. [7610]

Angela Eagle: Details of the number of incidents, area damaged, outcomes of the damaging activity and the type of activity are published in the annual reports produced by the respective country agencies, English Nature, Scottish Natural Heritage and the Countryside Council for Wales and, prior to 1991, by the Nature Conservancy Council, all of which are held in the Library of the House.

Wildlife and Countryside Act

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the Wildlife and Countryside Act 1981. [7609]

Angela Eagle: Ministers in the Department of the Environment, Transport and the Regions are currently considering the need to review specific sections of the Wildlife and Countryside Act 1981.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for the Environment, Transport and the Regions what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's

budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8319]

Angela Eagle: All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review. The planned total for local authority grants (net Aggregate External Finance) for 1998–99 was announced in the Budget.

Mr. Malcolm Bruce: To ask the Secretary of State for the Environment, Transport and the Regions if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8318]

Angela Eagle: The figures requested for my Department's spending plans within the Control Total are as follows: £41,776 million; £41,227 million; £42,244 million; and £41,249 million. In addition, local authorities will benefit from spending under the Capital Receipts Initiative, which is outside the Control Total, as announced in the Budget. The figures for 1997–98 have not been adjusted to take account of the Summer Supplementary Estimates presented to Parliament on 8 July but not yet approved.

CITES Conference

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the voting position registered by the United Kingdom delegation to the CITES Conference of the Parties in Harare on each of the species listing proposals and draft resolutions presented to the conference for which a vote was called. [8165]

Angela Eagle: I refer the hon. Member to the answer given by my right hon. Friend the Minister for the Environment to my hon. Friend the Member for Barnsley, East and Mexborough (Mr. Ennis) on 8 July, *Official Report*, column *449*, which reports the main decisions taken by the Conference. The United Kingdom's position in the final votes taken on substantive matters is set out below. The UK delegation voted in accordance with the European Union's Common Position on all the species proposals and on those draft resolutions or decisions for which there was EU competence.

Of the 34 substantive votes listed, 12 were taken by secret ballot. Under the current rules of procedure in CITES, any vote can be determined by secret ballot if at least 10 Parties request this. The UK is opposed to the use of secret ballots for votes on policy issues in CITES, especially on such a large scale, and we will be seeking to persuade other Parties to limit their use in future.

Issue	*Support*	*Oppose*	*Abstain*
Downlisting of *Eschrichtius robustus* (Gray whale) to Appendix II	—	X	—
Downlisting of the Okhotsk Sea West Pacific stock of *Balaenoptera acutorostrata* (Minke whale) to Appendix II	—	X	—
Downlisting of the Southern Ocean population of *Balaenoptera acutorostrata* (Minke whale) to Appendix II	—	X	—
Downlisting of two Atlantic populations of *Balaenoptera acutorostrata* (Minke whale) to Appendix II	—	X	—
Uplisting of all remaining European, Eurasian, Caucasian and Asian populations of *Ursos arctos* (Brown bear) to Appendix I	—	—	X
Separate consideration of the uplisting of various individual populations of *Ursos arctos* (Brown bear) to Appendix I	—	X	—
Amendment to annotation on the South African population of *Ceratotherium simum simum* (southern White Rhinoceros) to allow trade in rhino products	—	X	—
Uplisting of *Vini kuhlii* (Kuhl's lorikeet) to Appendix I	X	—	—
Uplisting of *Vini peruviana* (Blue lorikeet) to Appendix I	X	—	—
Uplisting of *Vini ultramarina* (Ultramarine lorikeet) to Appendix I	X	—	—
Inclusion in Appendix II of *Liocichla omeiensis* (Omei Shan liocichla)	X	—	—
Inclusion in Appendix I of *Padda oryzivora* (Java sparrow)	X	—	—
Inclusion in Appendix II of *Graptemys* spp (Map turtles)	—	X	—
Downlisting of the Cuban population of *Eretmochelys imbricata* (Hawksbill turtle) to Appendix II	—	X	—
Downlisting of the Bangladesh population of *Varanus bengalensis* (Bengal monitor) to Appendix II	—	X	—
Downlisting of the Bangladesh population of *Varanus flavescens* (Yellow monitor) to Appendix II	—	X	—
Inclusion of *Pristiformes* (Sawfish) in Appendix I	—	X	—
Amendment to an annotation to indicate that seeds and pollen with the exception of seeds from Mexican cacti originating in Mexico, were included in Appendix II	X	—	—
Inclusion of all neotropical populations of *Swietenia macrophylla* (American mahogany) on Appendix II	X	—	—
Inclusion of *Hydrastis canadensis* (Goldenseal) on Appendix II	X	—	—
Inclusion of *Picrorhiza kurrooa* (Kutki) in Appendix II	X	—	—
Inclusion of *Nardostachys grandiflora* (Spikenard) on Appendix II	X	—	—
Proposals to downlist the Botswanan, Namibian and Zimbabwean populations of *Loxodonta africana* (African elephant) to Appendix II	—	—	X
Conditions for the resumption of trade in African elephant ivory from populations transferred to Appendix II	—	—	X
Conditions for the disposal of ivory stocks and generating resources for conservation in elephant range states	X	—	—
Principle of drawing down on the Convention Trust Fund to fund the Budget for 1998–2000	X	—	—
Budget for 1998–2000—0 per cent. increase in contributions	—	X	—
Budget for 1998–2000—5 per cent. increase in contributions	X	—	—
Establishment of Working Group on Illegal Trade in CITES specimens	X	—	—
Resolution on Relationship with the International Whaling Commission	—	X	—
Amendment to Annex 6 of Document 10.52 (implementation of Convention for timber species)	—	X	—
Revision of Document 10.7 (Regional representation)	—	—	X
Proposal to register the Falcon Centre Halvesiek as a commercial captive breeding operation	—	X	—
Establishment of a Working Group on Marine Fish Species	X	—	—

Travellers

Mr. Paice: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will review the guidance issued to local authorities regarding the removal of travellers from unauthorised sites; [8161]

(2) if he will list the cases where local authorities have been challenged in the courts regarding their policy towards the removal of travellers from unauthorised sites, including the outcome in each instance. [8162]

Mr. Raynsford: My Department has no knowledge of any case involving a challenge to a local authority's policy towards the removal of unauthorised campers. There have, however, been three cases of which we are aware where an authority's decision to evict, using powers in the Criminal Justice and Public Order Act 1994, has been challenged in the courts. In the case of R *v* Wealden District Council ex parte Wales and others, the direction issued by the local authority under section 77 of the 1994 Act, and the magistrates' court order, were both quashed by the judge. In the parallel case of R *v* Lincolnshire County Council ex parte Atkinson the judge exercised his discretion not to quash the direction and the eviction order, and those travellers were evicted. R *v* Wolverhampton MBC ex parte Dunne followed, and approved, the Wealden judgment. There may also be other cases in which a local authority's use of either planning enforcement powers or of possession proceedings to remove trespassers, has been challenged, or where an application by travellers for leave for judicial review has been refused by the courts. My Department would not necessarily be notified of these.

We have no plans to review the advice in my Department's Circular No. 18/94, "Gypsy Sites Policy and Unauthorised Camping", that local authorities should take into account existing statutory responsibilities under health and welfare legislation when deciding whether to evict unauthorised campers. Those responsibilities exist independently of the Circular, and would apply even if it had not been issued.

Local Authorities' Pension Schemes

Mr. Malcolm Bruce: To ask the Secretary of State for the Environment, Transport and the Regions what is his estimate of the cost to local authorities in *(a)* 1998–99 and *(b)* 1999–2000 of the Budget proposals to abolish the payable tax credits for pension schemes; how local authorities are to be compensated; and if he will make a statement. [8320]

Mr. Raynsford: The extent to which local authorities will be affected by the Budget proposals will depend upon the outcome of the next triennial actuarial valuation, due on 31 March 1998 in England and Wales, and to subsequent discussions between actuaries and their local authority clients. I will consider carefully any representations made in the light of those considerations.

Credit Approvals

Mr. Bernard Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what additional credit approvals will be allocated to *(a)* Colchester Borough Council and *(b)* Tendring district council as a result of the capital receipts initiative announced in the Budget. [8464]

Mr. Raynsford: The Government provided figures illustrating alternative methods of distributing additional Supplementary Credit Approvals to individual local authorities in a table accompanying the consultation paper on proposals for implementing the capital receipts initiative in England. That paper was issued on 19 June and copies have been deposited in the Library of the House. Final allocations to individual authorities, however, will not be available until the consultation period has ended and we have given careful consideration to the comments received.

Ministerial Speech

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will place in the Library a copy of the speech given by the Parliamentary Under-Secretary of State, the hon. Member for Greenwich and Woolwich (Mr. Raynsford) on 5 July at Birkbeck College to the Conference on the Future of London. [8483]

Mr. Raynsford: A copy has been placed in the Library.

Uniform Business Rate

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions what plans his Department has for consultation concerning changes to the uniform business rate. [8470]

Mr. Raynsford: No changes will be made until we have fully consulted with all interested parties including business and local authorities. We are considering how to take this forward.

Rate Capping

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions what is his decision on the final caps for the three local authorities which challenged their cap; and if he will make a statement. [8895]

Mr. Prescott: I have today laid before the House the draft Council Tax Limitation (England) (Maximum Amounts) Order 1997, under section 57 of the Local Government Finance Act 1992, setting out our decisions on the final caps for Oxfordshire, Somerset and Warwickshire County Councils.

We have considered very carefully all the available relevant information, including the case made by the authorities in support of a higher cap, before taking our decisions. We have decided to confirm the caps proposed for Oxfordshire and Somerset, but Warwickshire will be permitted to budget at the level it has proposed to reflect the pressures it is facing following capital investment in its schools programme.

The caps are, in our view, reasonable and achievable in all the circumstances of the authorities concerned. These decisions will reduce public expenditure and the burden on council taxpayers in the areas concerned by £9.4 million in 1997–98. This will result in a council tax reduction (at Band D) of almost £28 in Oxfordshire, and £20 in Somerset.

Radioactive Materials (Transportation)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many aeroplane flights occurred in 1995 in UK airspace in which *(a)* high-level, *(b)* intermediate-level and *(c)* low-level radioactive material was carried; and what was the total number of aeroplane flights in 1995 in UK airspace in which radioactive material was carried. [7599]

Ms Glenda Jackson: The Department does not hold information of the kind requested. However, it is estimated that of the order of 10,000 flights carrying packages of radioactive material currently occur each year, the vast majority of which contain limited quantities for medical or industrial use in excepted or Type A packages.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions which *(a)* airports and *(b)* ports (i) are permitted to handle radioactive material and (ii) were used in 1995 for the shipment of radioactive material. [7600]

Ms Jackson: The information is as follows:

(i) Radioactive material may be moved through any port or airport.

(ii) The Department does not hold information of the kind requested.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if it is the Government's policy to allow an unlimited number of movements of radioactive material by air provided International Atomic Energy Agency standards are met. [7601]

Ms Jackson: The movement by radioactive material by air, in common with all dangerous goods, is regulated by The Air Navigation (No 2) Order 1995 and The Air Navigation (Dangerous Goods) Regulations 1994 as amended 1996. These place no limit on the number of such movements.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions when the Government plans to introduce the revised regulations set out in the 1996 edition of the International Atomic Energy Agency's Regulations for the Safe Transport of Radioactive Materials. [7602]

Ms Jackson: I refer the hon. Member to my reply to the hon. Member for Birmingham, Selly Oak (Dr. Jones), *Official Report*, 16 June 1997, column *42*.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many crashes have occurred in each year since 1967 in which aircraft carrying consignments of radioactive material within UK airspace have been involved; and what *(a)* volume and *(b)* level of radioactivity was involved in each case. [7604]

Ms Jackson: We are aware of two such accidents, one in 1968 and the other in 1987. In each case 1.1 Giga-Becquerels of radioactivity were being carried in a single Type A package. In neither case was any radioactivity released from the packages.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if the Government permits the transportation of radioactive materials *(a)* via the channel tunnel and *(b)* on passenger ferries. [7605]

Ms Jackson: Such transport is permitted subject to *(a)* the rules and restrictions of Eurotunnel, as approved by the Channel Tunnel Safety Authority of the UK/France Intergovernmental Commission and *(b)* compliance with The Merchant Shipping (Dangerous Goods and Marine Pollutants) Regulations 1990 and Merchant Shipping Notice No. M. 1432, "The Carriage of Dangerous Goods and Marine Pollutants in ships, the 'Blue Book' and the IMDG Code".

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many flights have taken place since 1990 in which spent nuclear fuel was carried within United Kingdom airspace; what were the places of origin and destination in each case; and what was the volume carried in each case. [7607]

Ms Jackson: None.

Shadow Tolls

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what is his policy in respect of shadow tolls. [8468]

Ms Glenda Jackson: The Government has conducted a review of PFI and we are taking measures to reinvigorate it. Our policy on shadow tolling is that bids for projects which we decide to pursue with remuneration on this basis will be considered on their merits. A key issue will be the value for money offered by bids compared with conventional procurement.

London Buses Ltd.

Dr. Marek: To ask the Secretary of State for the Environment, Transport and Regions if he will review the compliance by London Buses Ltd. with citizens' charter principles. [8340]

Ms Glenda Jackson: New quality of service targets have recently been set for London Transport Buses, and performance against the London Bus Passenger's Charter is kept constantly under review.

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions if the tendering procedures of London Buses Ltd. meet every requirement of EU procurement directives. [8341]

Ms Jackson: Yes.

London Regional Transport

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions if he will meet the chairman of London Regional Transport to discuss improvements in customer services standards and the handling of complaints by members of the public. [8342]

Ms Glenda Jackson: I plan to have regular meetings with the Chairman of London Transport at which we expect to discuss a range of issues including customer service standards and complaints handling.

Colchester High Street

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions what *(a)* financial and *(b)* other assistance was given by the Government and Government agencies in the past five years to road safety and environmental improvement works to Colchester High Street; and what plans he has to support further road safety and environmental improvement works. [7654]

Ms Glenda Jackson: Over the last five years £16.01 million (an average of £3.2 million per year) has been awarded to Essex County Council through the local transport settlement for local safety schemes and minor works. It is for the County Council to determine the most appropriate use for their allocations, but we expect them to target their most pressing accident sites. Over the last two years we have also awarded an additional £1.2 million to the County Council towards their package of transport proposals for Colchester. Allocations for 1998–99 have not yet been determined. In addition to this financial support, officials from the Department have provided technical advice on environmental measures for the High Street, including a 20 miles per hour zone, special traffic signals and a restricted parking zone.

Mr. Russell: To ask the Secretary of State for the Environment, Transport and the Regions how many representations he has received in the past five years from hon. Members, organisations or individuals, concerning road safety and environmental improvement works to Colchester High Street; and how many were objections to the works. [7653]

Ms Jackson: My right hon. Friend has had no representations about Colchester High Street from hon. Members. There have been several representations from other sources in support of the package of transport measures for Colchester which Essex County Council have promoted through their Transport Policies and Programme bids for 1996–97 and 1997–98.

Air Traffic Control

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions if he will instigate an immediate inquiry into the running of NERC and NATS. [7854]

Ms Glenda Jackson: No. I see no reason to instigate an Inquiry of this kind.

Channel Tunnel

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what checks are made of the contents of freight lorries before they are allowed into the Channel Tunnel. [7921]

Ms Glenda Jackson: Eurotunnel staff carry out regular checks on the contents of freight lorries using the Channel Tunnel.

Hauliers carrying goods classified as "Dangerous" are required to notify Eurotunnel on arrival at the tolls. The goods are checked against the permitted carriage list and cleared for travel. Staff are informed so that special arrangements can be made for loading the lorry in a specified location on the shuttle so that, in the event of an incident, the emergency services can be informed.

Mr. Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what steps have been taken to preserve the integrity and functioning of the overhead power lines in the channel tunnel in the event of a fire. [7920]

Ms Jackson: Changes to operating procedures relating to action to be taken in the event of a fire alarm on board an HGV shuttle, arising from the implementation of recommendations contained in the Channel Tunnel Safety Authority's Inquiry Report, have meant that the risk to the overhead power line, the catenary, has been reduced. However, in response to Recommendation 4 of the Safety Authority Report, Eurotunnel are employing consultants to examine the feasibility of reducing the chances of the catenary tripping.

Under the changed procedures the operators—Eurotunnel—no longer operate a drive-through policy or one in which the locomotive and amenity coach is de-coupled and driven through. Consequently the preservation of the integrity of the overhead power line is of less importance to the safety of people in an emergency. In the event of a fire on board an HGV shuttle the running tunnel systems will be configured for an emergency and the train will be brought to a controlled stop alongside a cross passage door for evacuation into the service tunnel.

Mr. Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the risks involved in allowing freight to be transported through the channel tunnel in lattice-sided wagons. [7919]

Ms Jackson: This is a matter for the Channel Tunnel Intergovernmental Commission, advised by the Channel Tunnel Safety Authority. In its Inquiry Report into the incident on 18 November 1996 the Safety Authority concluded that the semi-open design of HGV shuttles could be used in a way that secured the safety of people. Before approval was given for the resumption of HGV shuttle services, the Commission and the Safety Authority examined a detailed submission by the operators of the Channel Tunnel, Eurotunnel, and satisfied themselves that the operating procedures proposed were such that semi-open HGV shuttle wagons were able to be operated safely.

Ports

Dr. Whitehead: To ask the Secretary of State for the Environment, Transport and the Regions (1) what research he has *(a)* commissioned and *(b)* evaluated into the consequences of increased container vessel size for the provision of United Kingdom container port facilities; and what assessment he has made of the impact of such considerations upon a United Kingdom ports strategy; [8436]

(2) what assessment he has made of the feasibility of encouraging short sea routes as part of a United Kingdom port strategy; and if he will make a statement. [8435]

Ms Glenda Jackson: Measures needed to accommodate larger vessels are for the port authorities concerned in the first place. The Government is committed to encouraging the use of short sea shipping as an alternative to road transport where this is a practical and economic option. The Government is undertaking a transport policy review which will cover, amongst other things, the potential for a shift to short sea shipping, particularly for freight, as part of a policy to promote a progressive shift to less environmentally damaging modes; the environmental impact of ports, including surface access arrangements; and the role of ports in promoting regional development. The Government intends to publish a White Paper on an integrated transport strategy next Spring.

Genetically Modified Organisms

Mr. Tyler: To ask the Secretary of State for the Environment, Transport and the Regions if he will list by company the genetically modified organisms currently approved for *(a)* field testing and *(b)* marketing in the United Kingdom. [8041]

Angela Eagle: To date 124 consents for the experimental release of genetically modified organisms (GMOs) in Great Britain have been granted since the Genetically Modified Organisms (Deliberate Release) Regulations 1992 came into force on 1 February 1993. By company, these GMOs are:

	GMO	*Consents*
Advanced Technologies	Potatoes	6
	Tobacco	1
AgrEvo UK Crop Protection Ltd.	Oilseed rape	5
	Wheat	1
	Sugar beet	4
	Maize	3
	Potatoes	1
Axis Genetics	Potatoes	2
Bejo Zaden	Chicory	2
CPB Twyford	Oilseed rape	1
Derby University	Apple trees	1
Hilleshog NK	Sugar beet	4
Hoechst UK Ltd	Oliseed rape	1
John Innes Centre	Wheat	1
John K King and Sons Ltd.	Oilseed rape	1
Lancaster University	M13 Bacteriophage virus	1
Leicester university	Tobacco	3
Maribo UK Ltd.	Sugar beet	1
Monsanto Plc.	Oilseed rape	3
	Sugar beet	6
NERC/IVEM	Baculovirus	4
New Farm Crops	Wheat	3
NIAB	Oilseed rape	1
Nickerson BIOCEM Ltd.	Oilseed rape	5
	Wheat	1
	Potatoes	3
	Tobacco	1
Perryfields Holdings	Oilseed rape	1
Pioneer Genetique SARL	Oilseed rape	1
Plant Breeding International	Potatoes	7
Plant Genetic Systems NV	Oilseed rape	20
Rhone Poulene Agriculture	Oilseed rape	2
Rothamsted Experimental Station	Rhizobium	2
The Scottish Agricultural College	Oilseed rape	6
Scottish Crop Research Institute	Potatoes	3
	Strawberries	1
Sharpes International Seeds Ltd.	Swedes	1
	Oilseed rape	1
	Sugar beet	4
	Maize	1
Shell Research Ltd.	Eucalyptus	2
Zeneca Ltd.	Oilseed rape	1
	Poplars	2
	Maize	1
	sugar beet	1
	Tomatoes	1

In the same period eight consents for the marketing of GMOs in the European Community, including the United Kingdom, have been granted in accordance with Directive 90/220/EEC on the deliberate release of genetically modified organisms to the environment. By company, these are:

	GMO
Rhone Merieux Belgium (1 consent granted)	Rabies Vaccine
Societe Nationale d'Exploitation des Tabacs et Allumettes (1 consent granted)	Tobacco with herbicide tolerance
Vemie Veterinar Chemie GmbH (2 consents granted)	Vaccine against Aujeszky's disease in pigs
Plant Genetics Systems N.V. (1 consent)	Oilseed rape hybrid system with herbicide tolerance for seed production only
Monsanto Europe (1 consent)	Soya beans with herbicide tolerance for import and storage for processing only
Ciba Geigy (1 consent)	Maize with insect resistance and herbicide tolerance for unrestricted use
Bejo Zaden B.V. (1 consent)	Chicory hybrid system with herbicide tolerance for seed production only

These GMOs are not necessarily being marketed in the UK. The consents for Plant Genetics Systems and Monsanto were granted by the United Kingdom, whereas the other consents were granted by other member states.

ATTORNEY-GENERAL

Serious Fraud Office (Annual Report)

Gillian Merron: To ask the Attorney-General when he expects to lay before Parliament and publish the annual report of the Serious Fraud Office for the year 1996–97. [7088]

The Attorney-General: The report was laid before Parliament this morning then published. Copies have been placed in the Libraries of both Houses.

Crown Prosecution Service (Annual Report)

Mr. Desmond Browne: To ask the Attorney-General when he expects to *(a)* lay before Parliament and *(b)* publish the annual report of the Crown Prosecution Service for 1996–97. [8768]

The Attorney-General: The annual report of the Crown Prosecution Service will be laid before Parliament tomorrow and then published.

Copies will be placed in the Libraries of both Houses.

FOREIGN AND COMMONWEALTH AFFAIRS

Strategic Defence Review

Mr. Keith Simpson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the names of those attending the two Foreign Office seminars on the Strategic Defence Review, indicating the organisations each represented. [7823]

Mr. Tony Lloyd: The following participants from outside Government participated in the seminars hosted by my right hon. Friends the Secretary of State for Foreign and Commonwealth Affairs and the Secretary of State for Defence in the Foreign and Commonwealth Office on 3 July and in Coventry on 11 July:

3 July. Sir Brian Fall (Lady Margaret Hall, Oxford, Chairman), Josh Arnold Foster (UN Association), Menzies Campbell MP (Liberal Democrats), Professor Michael Clarke (King's College, London), Rear Admiral Richard Cobbold (RUSI), Jack Dromey (TGWU), Paul Eavis (Saferworld), Dr. Jonathan Eyal (RUSI), Sir Timothy Garden (RIIA), Dr. James Gow (King's College, London), Charles Grant (The Economist), Dr. Owen Greene (Bradford University), Dr. Rosemary Hollis (RIIA), Martin Kettle (The Guardian), Dave Knight (CND), Mark Laity (BBC), Alan Lee Williams (Atlantic Council), John Lloyd (New Stateman), Anne McElvoy (The Spectator), John MacKinlay (King's College, London), Edward Mortimer (Financial Times), Sebastian Pease (Pugwash), Dan Plesch (BASIC), Dr. Alex Pravda (St Antony's College, Oxford), Dr. Stephen Pullinger (ISIS), Professor Ron Smith (Birbeck College), Jon Snow (Channel Four), Dr. Claire Spencer (Centre for Defence Studies), Lord Wallace (LSE), Rt Hon Sir George Young MP (Conservative Party).

11 July. Sir Michael Alexander (RUSI, Chairman), Malcolm Chalmers (Bradford University), Professor Julian Cooper (Birmingham University), Dr. Anne Deighton (St Antony's College, Oxford), Professor Lawrence Freedman (King's College, London), Dr. Phil Gordon (IISS), Dr. David Greenwood (Aberdeen University), Professor Eric Grove (Hull University), Dr. Tim Huxley (Hull University), Rebecca Johnson (Disarmament Intelligence Review), Robert Key MP (Conservative Party), Dr. Patricia Lewis (VERTIC), John Lloyd (AEEU), Paul Rogers (Bradford University), John Roper (RIIA), Jane Sharpe (Centre for Defence Studies), Prof Edward Spiers (Leeds University), David Travers (Lancaster University), Paul Wilkinson (St Andrews University).

Nigeria

Mr. Nigel Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs what consultation took place with the Central Council of Physical Recreation or national governing bodies of sport regarding the Government's sporting boycott of Nigeria; and if he will make a statement. [7998]

Mr. Tony Lloyd: The EU Common Position on Nigeria adopted on 4 December 1995 agreed a series of measures including a sports ban implemented through the denial of visas to official delegations and national teams. The Department for Culture, Media and Sport wrote to the UK Sports Council on 12 December 1995 to inform them of this decision and they in turn advised the relevant national sporting bodies.

NATO Enlargement (Slovenia)

Mr. Tyrie: To ask the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy towards the admission of Slovenia to NATO; what steps his Department has taken to facilitate its admission; and what estimate he has made of the timetable for admission. [7807]

Mr. Tony Lloyd: I refer the hon. Member to the statement made by my right hon. Friend the Prime Minister in the House on 9 July, *Official Report*, column 937. We see Slovenia as a strong candidate for any future enlargement of NATO.

EU Presidency

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library his draft programme for the British presidency of the EU. [7699]

Mr. Doug Henderson: I have placed the provisional Calendar of Council meetings during the UK presidency in the Libraries of the House. A revised version will be produced in the autumn. Key events during the UK Presidency will include (dates remain to be decided):

	Draft Programme
Early January:	Visit to London by the College of Commissioners
February/March	Event in London to mark the formal start of the EU enlargement process
Spring	Council of Heads of State or Government to decide the participants in Stage III of Economic and Monetary Union
15–16 June	European Council in Cardiff

There will in addition be a number of informal Ministerial Councils held in the UK.

Interception of Communications

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) how many United Kingdom personnel are based inside the National Security Agency headquarters in Washington; and what is their function; [7617]

(2) how many National Security Agency employees are based inside GCHQ at Cheltenham; what is their function; and what controls exist to ensure that the British national interest is protected. [7618]

Mr. Robin Cook: It is a long-standing practice not to disclose details of specific staff deployments by the intelligence and security agencies. However, there are a number of UK personnel at National Security Agency (NSA) headquarters and a number of NSA personnel at GCHQ in a variety of posts.

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what bilateral agreements exist between GCHQ and the National Security Agency allowing American personnel to tap the communications of United Kingdom nationals. [7622]

Mr. Cook: United Kingdom law applies to US operations in the UK and prohibits the unauthorised interception of communications carried on UK public telecommunications systems. National Security Agency personnel comply with that law.

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs how many complaints have been received since 1990 from EU Governments concerning the interception of diplomatic and commercial communications by US personnel based in the UK. [7630]

Mr. Cook: We are not aware of any such complaints.

Schengen Agreement

Mr. Austin: To ask the Secretary of State for Foreign and Commonwealth Affairs if the documents comprising the Schengen acquis are to be incorporated into European Union law as part of the Amsterdam treaty. [6394]

Mr. Doug Henderson *[holding answer 3 July 1997]:* From the entry into force of the Schengen Protocol to be annexed to the Treaty on European Union and the European Community Treaty, the Schengen acquis, as defined in the Annex to the Protocol, will apply as a matter of EU law to all Member States except the United Kingdom and Ireland.

HOME DEPARTMENT

Wrongful Convictions

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 22 May, *Official Report*, column *111*, what considerations are involved in the processing of a final claim for compensation prior to its presentation to the independent assessors; and how long on average such an assessment takes. [7397]

Mr. Michael: The independent assessment of a final claim for compensation is made on the basis of written submissions from the claimant or his or her solicitor, setting out the information which he or she would like the assessor to take into account. Based on this material, a memorandum is prepared by the Home Office which sets out the background to the wrongful conviction and summarises the claim. The claimant receives a draft of the completed memorandum and, subject to any comments which he or she may wish to make on its content, or to clarification of any points arising from his or her representations, it is then submitted, with the representations, to the assessor—currently Sir David Calcutt QC.

On average, the final assessment is received within six to eight weeks of submission of the substantive claim to the assessor.

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 22 May, *Official Report*, column *111*, what considerations must be taken into account when assessing whether an individual found by the Court of Appeal to have been wrongfully convicted may qualify for compensation; and how long on average such an assessment takes. [7396]

Mr. Michael: All applications for compensation are considered first under the provisions of section 133 of the Criminal Justice Act 1988, and then, if the statutory requirements are not met, under the ex-gratia arrangements announced by the then Home Secretary in his statement to the House on 29 November 1985. My right hon. Friend the Home Secretary announced on 17 June that he will continue to be bound by those arrangements.

On average, a decision on whether an applicant qualifies for compensation is taken within six to nine months of receipt of the application.

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 22 May, *Official Report*, column *111*, how many requests for interim compensation payments were received in each of the past five years from individuals found by the Court of Appeal to have been wrongfully convicted; what considerations are taken into account when deciding whether to grant such a request; how many such requests were granted; and how long individuals wait on average before receiving a payment. [7398]

Mr. Michael: Twenty-two requests for interim payments were received during the last financial year, all of which were granted. No central record is held of requests for interim payments in preceding years.

The question of whether and in what sum interim payments may be made is entirely at the discretion of the independent assessor.

On average, an interim assessment is received within two weeks of submission of the request to the assessor and, subject to written confirmation that the claimant accepts the interim award in part payment of the amount to be finally offered, a payable order is sent within seven to 10 days.

State of Emergency (Northern Ireland)

Mr. McNamara: To ask the Secretary of State for the Home Department what assessment he has made of the grounds for maintaining the state of emergency related to the affairs of Northern Ireland; and what plans he has to withdraw the United Kingdom derogation from its international obligations under the European Convention on Human Rights and the International Covenant on Civil and Political Rights. [7372]

Mr. Straw: The Government are currently considering what change might be made to the arrangements for extending detention under the Prevention of Terrorism (Temporary Provisions) Act 1989. Substituting judicial for executive authority for extensions would require primary legislation. In the interim, the Government

consider that the derogation in respect of article 5(3) of the European Convention on Human Rights continues to be necessary.

Torture

Mr. McNamara: To ask the Secretary of State for the Home Department when the next United Kingdom periodic report is due under the UN Convention Against Torture; and if he will consult with non-governmental organisations on its content. [7374]

Mr. Mike O'Brien: The United Kingdom's third periodic report under article 19 of the United Nations Convention Against Torture is due to be submitted to the United Nations in January 1998. Non-governmental organisations will be consulted during preparation of the report.

This is in keeping with the Government's wish for greater engagement with and openness toward non-governmental organisations.

Mr. McNamara: To ask the Secretary of State for the Home Department what *(a)* meetings and *(b)* discussions have taken place since May between the staff of the Prison Service and the European Committee for the Prevention of Torture. [7373]

Mr. Straw: There have been no official meetings or discussions between Prison Service staff and the European Committee for the Prevention of Torture (CPT) since May 1994 when the CPT last visited places of detention in the United Kingdom.

Exclusion Orders

Mr. McNamara: To ask the Secretary of State for the Home Department how many exclusion orders have been issued or renewed since May; how many orders are presently in force; and if he will make a statement. [7375]

Mr. Straw: Two orders have been renewed and two have been allowed to lapse. There are currently 20 orders in force. I am currently considering when and under what conditions it might be safe to remove the power of exclusion from the statute book in the context of wider consideration of prevention of terrorism legislation.

Deportation Orders

Mr. McNamara: To ask the Secretary of State for the Home Department how many deportation orders have been made against Irish nationals in each of the past 10 years. [7388]

Mr. Mike O'Brien: The available information, which runs only from 1993, is given in the table.

Deportation orders made against Irish Nationals, 1993–96

	Number
1993	9
1994	3
1995	2
1996[1]	5

[1] Provisional data.

Prisoners (Transfers)

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 19 May, *Official Report*, column *8*, how many prisoners transferred to Northern Ireland on a temporary basis subsequently applied for a permanent transfer in each year since 1992; and how many of these requests were granted. [7389]

Ms Joyce Quin: The number of prisoners granted a temporary transfer who subsequently requested a permanent transfer, and the number of such requests granted, in each year since 1992 are as detailed in the table.

Applications for permanent transfer to Northern Ireland

	1992	*1993*	*1994*	*1995*	*1996*	*1997*
Number of applications	5	2	13	6	11	[1]3
Number granted	3	0	1	3	0	0

[1] One request is still under consideration.

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 19 May, *Official Report*, column *8*, if he will list for each year since 1992 the number of prisoners transferred from England to Northern Ireland on a temporary basis and those granted a permanent transfer, in each case identifying the seriousness of the crime for which they were convicted. [7390]

Ms Quin: The seriousness of a person's crimes is determined by the courts and reflected in the length of sentence imposed for the offence committed.

The table shows the number of transfers to Northern Ireland, on either a permanent or temporary basis in each year since 1992, of prisoners sentenced to up to four years, and those sentenced to four years or more.

	Prisoners serving less than four years		*Prisoners serving over four years*	
	Temporary	*Permanent*	*Temporary*	*Permanent*
1992	2	0	11	5
1993	0	0	4	0
1994	0	1	15	5
1995	0	2	26	11
1996	0	3	39	3
1997	0	2	29	0

The table includes renewals of temporary transfer for prisoners previously transferred to Northern Ireland on a temporary basis.

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 22 May, *Official Report*, column *8*, how many applications for temporary or permanent prison transfers to Northern Ireland have been successful in each month since September 1994. [7391]

Ms Quin: Further to the answer given to my hon. Friend on 22 May 1997, a review of the data supplied has revealed that the information given was incomplete. This was due to errors in transferring data to the central

records, resulting in some omissions. In addition, the reply did not include all the renewals of periods of temporary transfer for prisoners previously transferred to Northern Ireland on a temporary basis.

The total number of permanent and temporary transfers granted in each month since September 1994 is given in the table:

Permanent and temporary transfers to Northern Ireland since September 1994[1]

	1994		1995		1996		1997	
	TT[2]	PT[3]	TT	PT	TT	PT	TT	PT
January	—	—	4	0	5	0	5	2
February	—	—	5	3	5	2	6	0
March	—	—	1	0	4	1	2	0
April	—	—	1	1	0	1	5	0
May	—	—	2	0	3	0	6	0
June	—	—	1	3	3	0	5	0
July	—	—	5	4	5	1	—	—
August	—	—	4	0	7	0	—	—
September	0	0	1	1	1	0	—	—
October	1	0	1	1	2	1	—	—
November	0	0	0	0	1	0	—	—
December	0	0	1	0	5	1	—	—

[1] The table includes three applications which were approved, but the applicants later withdrew their request or were released before transfer could be effected.
[2] Temporary transfer.
[3] Permanent transfer.

Mr. McNamara: To ask the Secretary of State for the Home Department (1) if he will implement the recommendations of the 1992 inter-departmental review of the provisions governing transfer of prisoners between United Kingdom jurisdictions, with particular reference to the amendment of legislation; [7392]

(2) if he will introduce arrangements to transfer responsibility for granting compassionate parole and other matters of regime for prisoners on temporary extended transfer to Northern Ireland to the Secretary of State for Northern Ireland. [7393]

Ms Quin: The Government remain committed to the statement made in the House on 23 November 1992 by the then Parliamentary Under-Secretary of State accepting the recommendations of the inter-departmental working group on prisoner transfers. New legislative provisions governing the transfer of prisoners between United Kingdom jurisdictions are contained in schedule 1 of the Crime (Sentences) Act 1997.

Arrangements relating to the handling of transfer requests and of transferred prisoners including decisions on temporary release, are currently being reviewed. We will make an announcement as soon as possible about implementation of these provisions.

Mr. McNamara: To ask the Secretary of State for the Home Department what instructions have been issued to prison governors to assist Irish prisoners who may wish to transfer to Northern Ireland or the Irish Republic; and what information is available for *(a)* prisoners and *(b)* their legal representatives to enable them to make an application. [7394]

Ms Quin: Applications submitted by Irish prisoners for transfer to another jurisdiction or for repatriation to the Republic of Ireland are treated in exactly the same way as any other application for transfer or repatriation submitted by a prisoner. Information to governors on the procedures to be followed in dealing with transfer and repatriation requests are contained in the following documents:

Repatriation

Instruction to Governors 101/95

Foreign Prisoners' Resource Pack (Staff section)

Transfer and Repatriation

Prisoners' Requests/Complaints Procedures Manual (section H).

These documents are available to prisoners. In addition, information on both transfer and repatriation is contained in the Prisoners' Information Book, which is issued to all prisoners.

Transfer applications are determined in accordance with criteria announced to Parliament on 23 November 1992 by the then Parliamentary Under-Secretary of State.

Additional information, in response to specific enquiries from prisoners or their representatives, is provided by the transfer and repatriation section of the Prison Service.

Copies of, or relevant extracts from the documents detailed above have been placed in the Library.

Mr. Corbyn: To ask the Secretary of State for the Home Department how many approved applications for transfer to the Irish Republic received from the Minister of Justice are still awaiting his decision. [8480]

Ms Quin: Eleven applications for repatriation to the Republic of Ireland, approved by the Irish authorities, remain to be determined.

Special Secure Units

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 21 May, *Official Report*, column 77, what progress has been made in reviewing special secure unit operating standards following the report of Sir Donald Acheson concerning open visits by members of prisoners' immediate family. [7895]

Ms Joyce Quin: The special secure unit (SSU) operating standards were reviewed following the receipt of Sir Donald Acheson's report in June 1996. The standards were amended to implement recommendations covering health reviews of prisoners, transfer of prisoners requiring emergency treatment in national health service hospitals and sentence management.

Careful consideration was given to Sir Donald's recommendation that prisoners in SSUs should have access to open visits with members of their immediate family. The Prison Service has made numerous improvements to the security of SSUs but closed visits represent the only guaranteed means of preventing the passage of unauthorised items between prisoner and visitor. The policy of mandatory closed visits for exceptional risk prisoners will be kept under review, however, to ensure that it remains the appropriate response to the threat posed by such prisoners.

Domestic Violence

Mr. Healey: To ask the Secretary of State for the Home Department what is the Government's policy for tackling domestic violence; what measures his Department proposes to implement its policy; which of his Department's responsibilities in this area will be transferred to the Department of Social Security; and if he will make a statement. [7568]

Mr. Michael: We are currently examining the policies operating in this area, with a view to ensuring that we have an effective strategy against domestic and sexual violence. This strategy will take full account of our commitments to tackling crime in general, and to promoting equality and opportunity for women.

Domestic violence is a serious and widespread crime which threatens many people in society, mainly women. Domestic violence is unacceptable in itself. It also impacts on many areas of the lives of victims—housing, health, education—and on the freedom to live their life without fear. The Government are committed to tackling domestic violence on every front.

We have no plans to transfer to the Department of Social Security any of our responsibilities pertaining to domestic violence. My right hon. Friend, the Minister for Women, will be closely involved in the development and implementation of policies on domestic violence, as will colleagues from other Government Departments with an interest in this area.

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department what guidance his Department gives as to the maximum acceptable journey time for the transportation of non-human primates involved in or destined for animal experimentation. [8217]

Mr. George Howarth: No such guidance is given but, in considering whether to give approval for the acquisition of non-human primates from overseas sources for use under the terms of the Animals (Scientific Procedures) Act 1986, the Home Office takes into account journey times, the mode of transport and the route by which the animals are imported.

Mr. Baker: To ask the Secretary of State for the Home Department how many of his Department's inspectors have been employed as at 1 June in each year since 1987 to monitor animal experiments currently carried out in United Kingdom research laboratories. [8164]

Mr. Howarth: Figures for 1 June each year are not readily available, but the number of inspectors as at 31 December is published annually in "Statistics of Scientific Procedures on Living Animals, Great Britain". The figures are as follows:

1987: 19

1988: 19

1989: 18

1990: 19

1991: 19

1992: 21

1993: 20

1994: 19

1995: 18

1996: 17.

There are currently 17 inspectors in post and one vacancy which is expected to be filled in September.

Mr. Baker: To ask the Secretary of State for the Home Department what action he has taken in respect of the contents of the Channel 4 programme of 26 March, "It's a Dog's Life," as they relate to Huntingdon Life Sciences. [8469]

Mr. Howarth: The Home Office took prompt and firm action. The personal licences of two individuals seen hitting and shaking dogs in the programme were immediately suspended and then formally revoked at the earliest opportunity allowed by the Animals (Scientific Procedures) Act 1986. The local police were also asked by the Home Office to investigate possible offences under the Protection of Animals Act 1911 and I understand that individuals have now been charged.

The Chief Inspector, who heads the Animals (Scientific Procedures) Inspectorate, has carried out a detailed and thorough investigation into all the allegations made in the Channel 4 programme and the wider issue of the management and control of animal work within the establishment concerned. We expect to receive a comprehensive report before the end of July.

The Animal Procedures Committee has endorsed the action taken by the Home Office and the nature and form of the investigation. The Committee has been kept fully informed of the progress and findings of this investigation and has been given the opportunity to advise about further action to be taken.

Mr. Hancock: To ask the Secretary of State for the Home Department what research his Department has *(a)* commissioned and *(b)* evaluated on the impact of the Animals (Scientific Procedures) Act 1986 on the number of tests which are conducted on alternatives to animals. [7924]

Mr. Howarth: Tests which do not use animals are not regulated by the Home Office and information on the number of such tests is not, therefore, available.

The Home Office makes funds available through the Animal Procedures Committee to sponsor research into alternatives. A summary of the grants made and the outcome of the sponsored research is presented in the Committee's annual report.

Identity Cards

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department if he will make a statement on his Department's policy on issuing identity cards for the purpose of proving the ages of young people when purchasing alcohol. [8527]

Mr. George Howarth: As chairman of the Ministerial Group on Alcopops. I have had urgent talks with the drinks industry and other interests about tackling underage drinking. Among the issues which the group is considering is the use of proof of age cards. I shall make an announcement later this month.

Liberation Tigers of Tamil Eelam

Mr. Vaz: To ask the Secretary of State for the Home Department what representations he has received regarding the London office and activities of the Liberation Tigers of Tamil Eelam. [7166]

Mr. Straw: I have received one letter from a member of the public concerning the activities of the Liberation Tigers of Tamil Eelam.

Pigeon Feeding

Kate Hoey: To ask the Secretary of State for the Home Department when he will make a decision on a byelaw to ban pigeon feeding in public places. [7465]

Mr. George Howarth: We are not persuaded that a byelaw to prohibit the feeding of pigeons in public places is justified. To create a criminal offence would be a disproportionate response and would criminalise otherwise law-abiding people.

Local authorities already have powers under part IV of the Public Health Act 1961 to take steps to abate or mitigate any nuisance, annoyance or damage caused by the congregation of pigeons in any built-up area.

Policing (Party Conferences)

Mr. Fearn: To ask the Secretary of State for the Home Department what plans he has to alleviate the cost burden from individual police authorities of extra policing during party conferences of *(a)* the Government party and *(b)* other parties. [8170]

Mr. Michael: Sussex police authority has been offered an additional £750,000 to help meet the costs of safeguarding national security at the Labour party conference in Brighton in October. Lancashire police authority has been offered a similar amount towards the costs of policing the Conservative party conference in Blackpool. No applications for additional funds have been received from police authorities in England and Wales in whose areas the conferences of other parties are to be held.

Strip Searching

Dr. Lynne Jones: To ask the Secretary of State for the Home Department what proportion of people strip searched in the custody of police *(a)* were not charged with any offence and *(b)* were not subsequently convicted of any offence. [8541]

Mr. Michael: The information requested is not collected centrally. Statistics collected centrally record the number of intimate searches carried out in police custody. An intimate search consists of the physical examination of a person's body orifices other than the mouth. Provisional figures for 1996 show that 132 intimate searches were recorded by police forces in England and Wales. The confirmed figure will be published later this year. Statistics held centrally do not show how many of those subject to intimate searches were charged with an offence. Strip searches, which involve the removal of more than outer clothing, are not separately reported centrally.

Probation Officers

Mr. Beith: To ask the Secretary of State for the Home Department what plans he has to *(a)* revoke and *(b)* amend S.I., 1995 No. 2622, relating to the qualification required to be a probation officer. [8427]

Ms Joyce Quin: I refer the right hon. Member to the reply I gave to a question from the hon. Member for Daventry (Mr. Boswell) on 7 July, *Official Report*, column *369*.

Prison Officers

Mr. Malins: To ask the Secretary of State for the Home Department if he will make it his policy to ensure that prison officers are subject to the same search policy before coming on duty as applies to visitors to prisoners. [8568]

Mr. George Howarth: No. Where rub-down searches are deployed, my right hon. Friend has just announced that professional visitors, including prison officers, will be subject to a modified search, while general visitors will continue to be subject to the full rub-search procedure. This is following a Prison Service assessment that while there are exceptions, professional visitors and staff generally pose a lower level of risk.

Prisoners (Alcohol and Drugs)

Mr. Malins: To ask the Secretary of State for the Home Department how many serving prisoners were convicted of criminal offences committed during the currency of their sentence in the most recent year for which figures are available; and how many of these offences were drink or drugs-related. [8572]

Mr. George Howarth: Information on prisoners convicted of criminal offences committed whilst in custody is not available centrally and could be obtained only at disproportionate cost.

According to court proceedings data for 1995 collected centrally, 166 persons were returned to custody under sections 38 and 65 of the Criminal Justice Act 1991—failure to comply with early release licence conditions. Of these, six persons were sentenced at the same court

appearance for driving etc. after consuming alcohol or drugs. There were no persons sentenced for drug offences or for drunkenness.

In 1995, 299 persons were returned to custody under section 40 of the Criminal Justice Act 1991—commission of a new offence before the previous sentence is served in full. Of these, five persons were sentenced at the same court appearance for drug offences and seven persons were sentenced for driving etc. after consuming alcohol or drugs. There were no persons sentenced for drunkenness.

In 1995, a further 185 prisoners were recalled by the Parole Board under section 39 of the Criminal Justice Act 1991, of which 84 had committed further offences. Information on their offences is not readily available.

1996 data will not be available until the autumn.

Mr. Malins: To ask the Secretary of State for the Home Department (1) what measures he proposes to reduce illegal drug taking and alcohol consumption in prisons; [8567]

(2) how many instances of illegal drug taking and alcohol consumption in prisons were discovered in the most recent year for which figures are available; and how many resulted in disciplinary action. [8569]

Mr. Howarth: In 1996–97 some 21,700 mandatory drug test samples were positive for drugs. This figure includes results from both random and targeted tests which led to 16,757 adjudications for misuse of controlled drugs. Information on the number of instances of alcohol consumption is not available and could be obtained only at disproportionate cost. Knowingly consuming alcohol became a disciplinary offence in February this year. The first use of this charge in disciplinary proceedings occurred in May.

The Government are fully committed to reducing the level of substance misuse in prisons. We intend to build on existing measures to reduce the supply of drugs in prisons by a combination of mandatory drug testing and drug treatment programmes. The Prisons (Alcohol Testing) Act was enacted in March this year. The Prison Service is currently considering the implementation of a pilot programme of mandatory alcohol testing.

Mr. Malins: To ask the Secretary of State for the Home Department what Government schemes currently exist to enable serving prisoners to cure alcoholism or drug abuse. [8571]

Mr. Howarth: All prisons provide detoxification, education and counselling facilities to prisoners with substance misuse problems via the prison health care centre, probation department or community drug agencies. Many provide additional drug treatment programmes, for example, rehabilitation units or drug free areas supported by voluntary testing. The Prison Service is also spending £6.09 million this year on pilot drug treatment projects at 59 establishments. These include therapeutic communities, three-month treatment programmes, enhanced detoxification units, intensive counselling and education services and community-linked throughcare programmes.

Mr. Malins: To ask the Secretary of State for the Home Department what improvements he proposes to make in his procedures to search prison visitors to ensure that no illegal drugs or alcohol are brought into prisons. [8566]

Mr. Howarth: The Prison Service is implementing a range of measures to improve searching procedures which will minimise the smuggling of contraband into prisons. The most important one is the issuing of the new security manual at the turn of the year. This will publicise new standardised procedures for searching prisoners, visitors and vehicles, and will reinforce messages on good local supervision and audit of procedures. Recent increases in local training time should also contribute towards the improvement in searching procedures.

Mr. Malins: To ask the Secretary of State for the Home Department what discussions he has held with *(a)* the Prison Officers Union and *(b)* prison governors concerning illegal drug taking and alcohol consumption in prisons; and if he will make a statement. [8570]

Mr. Howarth: We have not as yet had the opportunity for substantive talks on these particular topics. We are fully committed to reducing the level of drug and alcohol misuse in prisons and we will discuss developments with the trade unions as they arise.

Prison Service

Mr. Forth: To ask the Secretary of State for the Home Department if he will list for the further consideration of private sector involvement in the Prison Service *(a)* the expected completion date and *(b)* the cost of conducting the review. [8252]

Ms Joyce Quin: It is planned that the review should be completed by December and will be undertaken within existing resources with no significant additional cost.

Raphael Rowe

Mr. Mullin: To ask the Secretary of State for the Home Department what papers were removed from the file on Raphael Rowe before it was passed to the Criminal Cases Review Commission; what has become of these papers; and if he will make a statement. [7859]

Mr. Michael: The files on all cases outstanding in the Home Office at the time the Criminal Cases Review Commission took on its caseworking responsibilities were transferred to the Commission in accordance with the terms of section 18(3) and (4) of the Criminal Appeal Act 1995. Material containing *(a)* advice from officials to Ministers, and Ministers' responses, and *(b)* legal advice to the Department, was removed from the files before transfer in accordance with convention. All such material has been retained on Home Office files.

EDUCATION AND EMPLOYMENT

Ashford High School

Mr. Wilshire: To ask the Secretary of State for Education and Employment, pursuant to his answer of 22 May, *Official Report,* column *126,* if he will approve the application for grant-maintained status from Ashford high school, Middlesex. [7806]

Ms Estelle Morris: The proposals from Ashford high school are under consideration and I cannot prejudge the final decision.

Primary School Pupils (Stoke-on-Trent)

Ms Walley: To ask the Secretary of State for Education and Employment how many children in the constituency of Stoke on Trent, North reached the level expected for 11-year-olds in *(a)* literacy and *(b)* numeracy in each of the last five years. [7327]

Ms Estelle Morris: The percentage of pupils reaching level 4 and above—the level expected for 11-year-olds—in the 1995 and 1996 English and mathematics National Curriculum tests in the schools in Stoke on Trent, North for which data are available is shown in the table. The national curriculum tests for 11-year-olds were introduced only in 1995.

Per cent.

	English	*Mathematics*
1995	34	29
1996	48	44

Primary Class Sizes

Mr. Colvin: To ask the Secretary of State for Education and Employment if he will list those LEAs which *(a)* contain primary schools with class sizes above 30 and *(b)* have surplus primary school places. [7367]

Mr. Byers: All local education authority areas had surplus places in primary schools and all except City of London and Isles of Scilly had class sizes above 30 in primary schools. This information relates to January 1996, the latest date for which information on both surplus places and class sizes is available.

Statemented Children

Mr. Mitchell: To ask the Secretary of State for Education and Employment if he will calculate the correlation between the number of statemented children in each secondary school and examination success by the schools in North East Lincolnshire, Lincolnshire, North Yorkshire, Richmond (Surrey), the East Riding, Calderdale, Barnsley and Sheffield. [7666]

Ms Estelle Morris: Available data for maintained secondary schools in these local education authority (LEA) areas, as published in performance tables in November 1996, are shown in the following table. Figures for numbers of 15-year-old pupils and for the percentages of such pupils achieving five or more GCSE grades A*–C relate to examinations in academic year 1995–96. Figures for numbers of pupils on roll and numbers with statements are taken from the Annual Schools Census in January 1996, with schools listed by the LEA in whose area they were located as at November 1996. Information on numbers of statements by age of pupil is not collected centrally, so it is not possible to correlate between numbers of 15-year-olds with statements and percentages of this age group achieving examination successes.

	Number of 15-year-old pupils	*Percentage achieving five or more GCSE grades A*–C*	*Number of pupils on roll*	*Number with statements*	*Percentage with statements*
North-east Lincolnshire					
Havelock School	125	6	530	12	2
Healing Comprehensive School	149	60	760	11	1
Hereford School	195	16	1,036	19	2
Humberston Comprehensive School	141	64	693	11	2
Lindsey School	289	33	1,558	21	1
Matthew Humberstone School	215	22	1,158	43	4
St. Mary's RC High School	47	28	254	1	0
The Immingham School	205	32	997	17	2
Waltham Toll Bar School	294	51	1,750	23	1
Western School	156	26	696	31	4
Whitgift School	203	21	908	11	1
Wintringham School	206	23	855	5	1
Lincolnshire					
Ancaster High School	103	29	550	21	4
Banovallum School	72	39	370	26	7
Boston Grammar School	100	91	619	—	0
Boston High School for Girls	136	92	865	—	0
Bourne Grammar School	140	96	745	1	0
Branston Community College	188	48	1,035	59	6
Caistor Grammar School	86	98	550	—	0
Caistor Yarborough School	103	28	530	12	2
Carre's Grammar School	73	96	555	2	0
Cherry Willingham Comprehensive School	103	41	492	42	9
Cordeaux High School	98	12	577	40	7
Coteland's School, Ruskington	35	6	235	8	3
De Aston School	180	49	1,180	52	4
Gleed Girls' GM School	107	37	537	7	1
John Spendluffe School	60	8	380	37	10
Kesteven and Grantham Girls' School	168	95	988	—	0
Kesteven and Sleaford High School	75	95	564	—	0
King Edward VI School	120	93	527	7	1
Lafford High School	62	16	286	21	7
Lincoln Christ's Hospital School	180	46	1,234	30	2
Lincoln School of Science and Technology	1	—	693	2	0
Monks Dyke School	123	22	785	26	3
North Kesteven (GM) School	215	51	1,271	17	1
Queen Eleanor School	112	17	505	35	7

	Number of 15-year-old pupils	Percentage achieving five or more GCSE grades A*–C	Number of pupils on roll	Number with statements	Percentage with statements
Queen Elizabeth's GM Grammar School	65	88	451	1	0
Queen Elizabeth's Grammar School—Horncastle	98	96	669	1	0
Queen Elizabeth's High School	177	92	981	—	0
Robert Pattinson GM School	225	51	1,169	11	1
Sir John Gleed Technology School	112	13	537	27	5
Sir William Robertson High School	90	33	419	11	3
Skegness Grammar School	104	92	636	—	0
Spalding Grammar School	98	89	762	1	0
Spalding High School	135	92	913	2	0
Spilsby High School	88	30	506	17	3
St. Bede's Catholic School	36	31	202	14	7
St. George's College of Technology	186	33	1,050	78	7
St. Hugh's School	76	7	368	35	10
St. Peter and St. Paul RC High School	100	34	452	19	4
St. Wulfram's CofE High School (GM)	75	24	409	15	4
Tennyson High School	68	12	296	23	8
The Aveland School	47	26	220	7	3
The Birkbeck School	45	33	287	7	2
The Castle Hills GM Community School	109	13	592	44	7
The Central School	116	20	635	27	4
The Charles Read School	50	16	225	13	6
The City School	178	29	749	8	1
The Deepings School	192	45	1,269	26	2
The Earl of Scarborough High School	198	6	893	32	4
The Gartree (GM) School	84	37	434	16	4
The George Farmer School	95	23	483	30	6
The Giles School	111	29	556	30	5
The Haven High School	146	6	558	29	5
The King's School	147	94	842	—	0
The Middlecott School	101	18	565	18	3
The Middlefield School	82	6	416	15	4
The Peele County Secondary School	65	12	309	16	5
The Robert Manning School	153	29	857	27	3
The St. Guthlac School	44	9	255	17	7
The Thomas Cowley High School	53	19	279	25	9
The Walton Girls' High School	108	29	493	5	1
William Farr CofE Comprehensive School	193	52	1,022	13	1
William Lovell CofE School	73	15	364	14	4
Yarborough School	205	33	1,025	22	2
North Yorkshire					
Aireville School	120	18	539	23	4
Barlby High School	115	46	580	13	2
Bedale High School	136	49	587	10	2
Boroughbridge High School	129	55	631	11	2
Brayton High School	216	58	1,134	53	5
Easingwold School	212	57	1,205	23	2
Ermysted's Grammar School	86	100	572	—	0
Filey School	106	41	525	10	2
Graham School	220	47	1,153	19	2
Harrogate Grammar School	239	75	1,643	8	0
Harrogate Granby High School	155	37	814	26	3
Holy Family RC High School	72	51	414	3	1
King James's School	248	61	1,492	26	2
Lady Lumley's School	134	65	829	9	1
Malton School	93	59	508	12	2
Northallerton College	297	57	907	4	0
Norton College	128	41	642	24	4
Pindar School	147	31	794	20	3
Raincliffe School	115	39	563	18	3
Richmond School	205	55	1,396	15	1
Ripon City School	93	13	398	8	2
Ripon Grammar School	98	95	690	—	0
Risedale Community College	94	21	508	9	2
Rossett High School	194	48	1,178	20	2
Ryedale School	67	64	351	10	3
Scalby School	210	55	1,046	22	2
Selby High School	162	56	852	10	1
Settle High School and Community College	143	50	538	4	1
Sherburn High School	146	48	800	10	1
Skipton Girls' High School	94	100	599	—	0
South Craven School	294	42	1,741	28	2
St. Aidan's CofE High School	225	74	1,531	18	1
St. Augustine's RC School	66	32	338	9	3
St. Francis Xavier School	58	62	341	7	2
St. John Fisher RC High School	132	62	899	9	1
Stokesley School	233	70	1,201	14	1
Tadcaster Grammar School	201	59	1,199	19	2
The Wensleydale School	82	34	463	7	2
Thirsk School	173	50	998	9	1
Upper Nidderdale High School	71	42	349	17	5

	Number of 15-year-old pupils	Percentage achieving five or more GCSE grades A*–C	Number of pupils on roll	Number with statements	Percentage with statements
Upper Wharfedale School	57	47	282	4	1
Whitby Community College	308	47	986	20	2
Richmond (Surrey)					
Christ's School	115	32	587	12	2
Grey Court School	211	55	1,043	21	2
Orleans Park School	180	56	957	35	4
Rectory School	183	53	873	31	4
Shene School	204	45	1,098	28	3
Teddington School	236	65	1,174	20	2
Waldegrave School for Girls	171	65	971	10	1
Whitton School	195	40	997	36	4
East Riding					
Beverley Girls' High School	138	64	760	5	1
Beverley Grammar School	93	49	680	11	2
Bridlington School	222	23	1,085	33	3
Cottingham High School	199	55	1,322	12	1
Driffield School	255	43	1,565	21	1
Headlands School	206	31	1,199	52	4
Hessle High School	147	35	919	14	2
Hornsea School	194	49	1,140	10	1
Howden School	149	37	726	15	2
Longcroft School	238	43	1,313	38	3
Market Weighton School	116	48	621	4	1
South Holderness School	305	44	1,730	43	2
South Hunsley School	186	56	1,322	17	1
The Snaith School	149	60	751	11	1
Vermuyden School	178	28	1,032	14	1
Withernsea High School	226	34	1,119	16	1
Woldgate School	208	45	1,152	27	2
Wolfreton School	357	57	2,051	15	1
Calderdale					
Brighouse High School	180	47	1,041	12	1
Calder High School	211	40	1,258	28	2
Crossley Heath School	96	95	724	3	0
Halifax Catholic High School (GM)	136	44	826	12	1
Hipperholme and Lightcliffe High School	165	41	905	16	2
Holy Trinity CofE Senior School (GM)	144	45	944	18	2
Rastrick High School (GM)	189	50	1,192	18	2
Ryburn Valley High School	209	34	1,202	9	1
South Halifax High School	76	4	421	27	6
Sowerby Bridge High School	159	19	878	13	1
The Brooksbank School	237	35	1,345	11	1
The Halifax High School	174	12	639	24	4
The North Halifax Grammar School	142	97	862	1	0
The Ridings School	123	8	663	27	4
Todmorden High School	175	35	910	15	2
Barnsley					
Darton High School	176	34	939	26	3
Edward Sheerien School	142	21	719	39	5
Holgate School	180	34	923	28	3
Kirk Balk School	208	28	964	47	5
Penistone Grammar School	246	50	1,540	15	1
Priory School	161	24	891	31	3
Royston Comprehensive School	116	27	643	26	4
St. Michael's RC School	129	43	632	21	3
The Dearne High School	257	23	1,267	43	3
The Foulstone School	177	25	887	26	3
The Kingstone School	248	28	1,343	29	2
Willowgarth High School	207	15	943	46	5
Wombwell High School	160	30	752	23	3
Worsbrough High School	132	9	545	18	3
Sheffield					
Abbeydale Grane School	109	21	511	44	9
All Saints' RC School	169	47	990	16	2
Birley Comprehensive School	208	31	975	8	1
Bradfield School	173	42	906	18	2
Chaucer School	194	19	965	22	2
Earl Marshal School	127	8	529	17	3
Ecclesfield School	314	42	1,598	22	1
Firth Park School	237	19	1,164	16	1
Handsworth Grange School	157	27	862	13	2
Herries School	109	12	573	5	1
High Storrs School	276	67	1,685	24	1
Hinde House School	183	17	944	21	2
King Ecgbert School	147	47	940	14	1
King Edward VII School	224	62	1,516	9	1

	Number of 15-year-old pupils	Percentage achieving five or more GCSE grades A*–C	Number of pupils on roll	Number with statements	Percentage with statements
Meadowhead School	323	53	1,615	15	1
Myers Grove School	163	43	742	8	1
Myrtle Springs School	235	13	1,079	24	2
Newfield School	178	25	949	22	2
Notre Dame RC Comprehensive School	181	51	1,038	18	2
Silverdale School	190	75	1,133	20	2
Stocksbridge School	167	48	692	6	1
Tapton School	196	61	1,471	23	2
The City School	228	37	1,154	48	4
Waltheof School	184	14	905	19	2
Westfield School	236	35	1,145	11	1
Wisewood School	155	35	659	10	2
Yewlands School	159	17	763	25	3

Mr. Mitchell: To ask the Secretary of State for Education and Employment what is the number per thousand pupils of statemented children in North East Lincolnshire, Lincolnshire, North Yorkshire, Richmond (Surrey), the East Riding, Calderdale, Barnsley and Sheffield. [7701]

Ms Morris: Schools' returns for January 1996, the latest available, were aggregated for local education authorities existing at that time. North East Lincolnshire and the East Riding of Yorkshire became unitary authorities in April 1996 so, other than for schools appearing in performance tables, information on numbers of statements aggregated for these authorities is not readily available. Returns from schools in the other local education authorities are summarised in the following table.

Local education authority	Total pupils[1]	Pupils with statements[1]	Number of pupils with statements per thousand pupils
Lincolnshire	97,785	3,180	32.5
North Yorkshire[2]	117,701	2,787	23.7
Richmond upon Thames	26,778	482	18.0
Calderdale	35,726	821	23.0
Barnsley	35,313	1,054	29.8
Sheffield	77,529	1,848	23.8

[1] Includes pupils in nursery, primary, middle, secondary, independent and special schools and pupil referral units within the local education authority area.
[2] Includes schools which transferred to the area of City of York local education authority from April 1996.

New Deal

Mrs. Gorman: To ask the Secretary of State for Education and Employment if the Environment Taskforce in the New Deal will be involved in any areas which are currently managed or maintained by local authorities. [8207]

Mr. Andrew Smith: Detailed discussions will begin shortly about the arrangements for delivering the New Deal, and the scope and nature of the work of the environment task force. Local authorities will have an important role to play in local discussions and planning.

Mrs. Gorman: To ask the Secretary of State for Education and Employment what remuneration is to be paid to Sir Peter Davis for his work with the Advisory Task Force in the New Deal. [8205]

Mr. Smith: None.

Mrs. Gorman: To ask the Secretary of State for Education and Employment who will be responsible for the control of the Environment Taskforce in the New Deal. [8208]

Mr. Smith: The Employment Service will be responsible for implementing the New Deal for those aged 18 to 24 who have been unemployed for six months or longer. Whilst the Department will retain overall responsibility for the New Deal, the Department of the Environment, Transport and the Regions will play a major role in setting up and delivery of the environmental task force. The main responsibility for monitoring the activities of the task force will lie with the Department, but the DETR will also have a role, given its wider responsibility for environmental matters.

Youth Service

Mr. Colvin: To ask the Secretary of State for Education and Employment what meetings he has held with local government representatives to discuss the audit of youth service provision; and if he will make a statement. [7658]

Dr. Howells: The Department will shortly be consulting the Local Government Association about the form and content of the audit of youth service provision. I have also agreed to meet representatives of local authorities to discuss a number of matters including the youth service audit. Their views will be taken into account together with those of other organisations consulted before the audit request is sent to local authorities.

Departmental Publications

Mr. Burstow: To ask the Secretary of State for Education and Employment how many of his Department's publications have been available in *(a)* Braille, *(b)* audio tape and *(c)* large print in each year since 1992; and what percentage of the total number of publications this represents in each case. [7642]

Dr. Howells: To identify and list publications that have been produced in these three formats within separate years would be very time consuming and possible only at disproportionate cost.

At the present time, the Department has approximately 3,290 separate publications available. Of these 72 are available in Braille, 56 in audio tape; and 19 in large print. Therefore 2 per cent. of the total are available in Braille, 1.7 per cent. in audio tape and 0.6 per cent. in large print.

In recent years the Department's policy has been to make publications that will be of very wide public interest available in formats that are suitable for people with visual impairments. This will continue.

"Excellence in Schools"

Mr. Don Foster: To ask the Secretary of State for Education and Employment by what date copies of "Excellence in Schools: A Summary" will be available in Hindi and Punjabi. [8513]

Mr. Byers: Copies of the summary will be available to the public within the next two weeks.

Disability Rights Commission

Mr. Swayne: To ask the Secretary of State for Education and Employment what estimate he has made of the total annual cost of running the proposed Disability Rights Commission. [7739]

Mr. Alan Howarth: Our manifesto commits us to supporting comprehensive, enforceable civil rights for disabled people. We are consulting interested parties on the best way to achieve this and we shall develop proposals in the light of our discussions. Estimated costs related to the proposals emanating from our manifesto commitment will be made available at the appropriate time.

PRIME MINISTER

Lockerbie

Mr. Dalyell: To ask the Prime Minister, pursuant to the Adjournment Debate of 11 June, *Official Report*, columns 1253–60, if he will discuss with Chancellor Kohl *(a)* the recent statements made by the Public Prosecutor's office in Frankfurt on the role of Abgdol Hassam Mesbahi in respect of the destruction of PanAm 103 and *(b)* its consequences for UN sanctions against Libya. [8550]

The Prime Minister: No. I refer the hon. Member to the reply given by my hon. Friend the Minister of State, Foreign and Commonwealth Office to the hon. Member for Rochford and Southend, East (Sir T. Taylor) on 11 July, *Official Report*, column *626*.

Mr. Dalyell: To ask the Prime Minister if he will make a statement on his recent discussion with President Mandela relating to Libyan sanctions and Lockerbie. [7937]

The Prime Minister *[holding answer 11 July 1997]:* President Mandela and I agreed on the need to bring this tragic issue to a conclusion. I explained our position that to secure the lifting of sanctions, Libya must comply with the requirements of the Security Council Resolutions.

National Heritage Department

Mr. Kaufman: To ask the Prime Minister what plans the Government have for the Department of National Heritage; and if he will make a statement. [8896]

The Prime Minister: The Government have decided to refocus the Department of National Heritage to play a major part in the regeneration of our country for the future, working with the cultural industries, local government and the private sector to support creativity and also to create wealth and employment. As an expression of this change, the Department will be renamed the Department for Culture, Media and Sport, and its responsibilities widened to include the music industries, which contribute some £2.5 billion to gross domestic product each year.

My right hon. Friend, who will be known as the Secretary of State for Culture, Media and Sport, will develop a new and dynamic approach to the "creative industries". He will carry through the Government's commitment to a strategic vision for the British arts, media and cultural industries that matches their real power and energy.

The formal steps necessary to change my right hon. Friend's title are in hand are expected to be completed shortly.

Pension Schemes (Corporate Dividends)

Mr. Peter Bottomley: To ask the Prime Minister when he first discussed with his colleagues reducing the value of corporate dividends to group and individual pension schemes; whom they consulted about the consequences; and when they first advised the general public of their intentions. [8565]

The Prime Minister: We began our review of corporate tax two years ago while we were still in opposition. the review was mentioned on page 13 of our manifesto and on page 9 of our business manifesto. On taking office, my right hon. Friend the Chancellor started to put together his Budget taking advice as required. The details of the measures were announced in his Budget statement of 2 July.

Open Government

Mr. Matthew Taylor: To ask the Prime Minister if he will consider opening to public inspection the pages relating to "Questions of Procedure for Ministers" in classmark CAB 171 of the Public Record Office which are currently being reviewed by the Cabinet Office. [8010]

The Prime Minister: All editions of "Questions of Procedure for Ministers" have been published. In addition any papers in classmark CAB 171 relating to each published version have been released and are available in the Public Record Office.

Minister for Trade and Competitiveness in Europe

Mr. Fallon: To ask the Prime Minister what proportion of the time of the Minister for Trade and Competitiveness in Europe is spent on duties in *(a)* the Treasury and *(b)* the Department of Trade and Industry. [7432]

The Prime Minister *[holding answer 9 July 1997]:* The Minister for Trade and Competitiveness in Europe expects to spend up to 20 per cent. of his time dealing with Treasury duties.

Mr. Redwood: To ask the Prime Minister, pursuant to the oral answers of 3 July, *Official Report,* column 409; that to the hon. Member for South Cambridgeshire (Mr. Lansley), *Official Report,* column 427, and that of

4 July *Official Report*, column 585, what factors led to the differences underlying each answer relating to the business interests of the Minister for Trade and Competitiveness in Europe. [7420]

The Prime Minister: There are no such differences.

Mr. Redwood: To ask the Prime Minister what are the duties of the Minister for Trade and Competitiveness in Europe. [7429]

The Prime Minister: I refer the right hon. Member to the List of Ministerial Responsibilities, a copy of which is in the Library of the House.

Disabled People (Harassment)

Mr. Burstow: To ask the Prime Minister what is the Government's policy on the harassment of disabled people; and which Department is responsible for the collection of statistics on such harassment. [6434]

The Prime Minister *[holding answer 8 July 1997]:* The Government deplore discrimination against disabled people and are committed to developing comprehensive and enforceable civil rights for disabled people against discrimination in society or at work.

All members of society including disabled people are protected from harassment under the new criminal and civil measures in the Protection of Harassment Act 1997. The Disability Discrimination Act 1995 gives disabled people a personal right to protection from detrimental action taken against them on account of their disability in a wide range of areas of life. The DDA also protects disabled people from being victimised for asserting their right. Statistics have not been collated centrally on acts of harassment or victimisation in relation to these Acts.

Parliamentary Questions

Ms Abbott: To ask the Prime Minister if he will review the exclusion of the Minister without Portfolio from the rota for oral parliamentary questions. [7217]

The Prime Minister: I refer my hon. Friend to the reply that my hon. Friend gave to the hon. Member for Lewes (Mr. Baker) on 7 July, *Official Report*, column *324*.

Departmental Advisers

Mr. Alan Simpson: To ask the Prime Minister if he will list each person advising or assisting his Office who has *(a)* membership of and *(b)* involvement in (i) the European Round Table of industrialists, (ii) the European Centre for Infrastructure Studies, (iii) the Competitiveness Advisory Group, (iv) Transatlantic Business Dialogue, (v) the Association for the Monetary Union of Europe, (vi) Union of Industrial and Employers Confederations of Europe, (vii) Europa Bio and (viii) the World Business Council for Sustainable Development. [5306]

The Prime Minister: Membership of the European Round Table of industrialists, the Competitiveness Group and the Transatlantic Business Dialogue is on a personal basis. It is therefore not known whether any of the many people advising or assisting my office is either a member of, or has an involvement in, any of these bodies.

Membership of the European Centre for Infrastructure Studies, the Association for the Monetary Union of Europe, the Union of Industrial and Employers Confederations of Europe, Europa Bio and the World Business Council for Sustainable Development is on a corporate basis. Representatives from companies and organisations involved with these groups may advise Government Departments from time to time.

Ministers (Transport Costs)

Mr. Flight: To ask the Prime Minister what was the cost to public funds of his air travel *(a)* to the G7 Economic summit and *(b)* between Denver and New York; and if he will make a statement. [6287]

The Prime Minister: The cost of chartering a British Airways Concorde aircraft to transport me and the accompanying official delegation to Denver and New York amounted to £230,000. British Airways offered Concorde for a lower cost than a Boeing 767 which was the alternative aircraft we would otherwise have chartered. Part of the cost was met by the accompanying press.

LORD CHANCELLOR'S DEPARTMENT

Gazumping

Mrs. Gillan: To ask the Parliamentary Secretary, Lord Chancellor's Department what action his Department is taking to prevent gazumping. [8474]

Mr. Hoon: I have been asked to reply as responsibility for this topic lies with my Department.

Work will shortly be under way across a number of Government Departments co-operating together which will, amongst other things, look closely at the problem of gazumping and will lead to detailed proposals which will be in the interests of everybody involved in the sale and purchase of homes.

CHURCH COMMISSIONERS

Bishops' Residences

41. **Mr. Viggers:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what proposals the Church Commissioners have to change the amount of resources committed to bishops' residences. [6505]

Mr. Bell: The Commissioners have a duty to maintain the 44 See houses in their ownership. Houses occupied by suffragan bishops are the responsibility of their respective dioceses.

A budget for each house is prepared on a year by year basis, following detailed consultation with the bishop and the surveyor/architect. They are drawn up in the light of professional advice on the existing condition of the properties, the potential maintenance liability, and the scope for creating more economic and manageable accommodation, where appropriate. The budgets are the *minimum* the Commissioners feel is consistent with the proper maintenance of those properties and the costs are monitored closely.

Hagg Wood (Public Access)

42. **Mr. Bayley:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, if he will make a statement about the Church Commissioners' policy on public access to Hagg Wood, near York. [6506]

Mr. Bell: The Commissioners are committed to protecting public rights of way over their land. Where appropriate, they are also prepared to enter into Access Agreements for specified permissive paths. In the case of Hagg Wood, discussions are in progress with York City Council and the leaseholder, the Forestry Commission, aimed at achieving a suitable Access Agreement.

PUBLIC ACCOUNTS COMMISSION

National Audit Office (Staffing)

40. **Mr. Jack:** To ask the Chairman of the Public Accounts Commission what are the staffing implications for the National Audit Office of its role in validating the Chancellor's economic assumptions. [6504]

Mr. Sheldon: About twelve staff of the National Audit Office made a significant contribution to the Comptroller and Auditor General's recent report on the assumptions for the Budget projections, which had to be prepared in less than three weeks. The staffing implications of the National Audit Office's continuing role in auditing the public finances in future Budgets will be determined as the scale of the studies is defined.

INTERNATIONAL DEVELOPMENT

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for International Development on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8085]

Clare Short: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest not the Minister to know (paragraph 63 of Cm 2850). It is not practicable for Ministers and officials to vet requests for meetings against the Register of Members' Interests. Should evidence of non-declaration emerge, or contravention of the Resolution of the House relating to delegations to Ministers, the matter would be brought to the attention of the Parliamentary Commissioner for Standards.

Mr. Campbell-Savours: To ask the Secretary of State for International Development if she will ensure that *(a)* Ministers and *(b)* officials of her Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8082]

Clare Short: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

UNESCO

Mr. Goodlad: To ask the Secretary of State for International Development what will be the cost of UNESCO membership in *(a)* 1997–98 and *(b)* 1998–99. [7869]

Clare Short: I refer the right hon. Member to the replies I gave to the hon. Member for Richmond Park, (Dr. Tonge), *Official Report,* 2 June 1997, column *26, and to the right hon. and learned Member for Sleaford and North Hykeham, (Mr. Hogg), Official Report,* 20 May 1997, column *37.*

World Trade Organisation

Mr. Goodlad: To ask the Secretary of State for International Development what representations her Department has made about establishing a human rights clause in the World Trade Organisation. [8014]

Clare Short: The Government is firmly committed to ending abusive labour practices, including exploitative child and forced labour, world-wide. We are pursuing this objective in the ILO and through other international fora. We are also exploring how the WTO might be used to reinforce this work.

UNIDO

Mr. Goodlad: To ask the Secretary of State for International Development what will be the cost to UK public funds of UNIDO membership in *(a)* 1997–98 and *(b)* 1998–99. [7867]

Clare Short: The UK contribution for 1997 was £3.8 million. The amount required for the 1998–99 biennium will be determined by the budget approved by member states at the December 1997 General Conference.

Nigeria

Mr. Goodlad: To ask the Secretary of State for International Development what representations she has received from British banks concerning her Department's projects in Nigeria. [8011]

Clare Short: My Department has not received any representations from British banks concerning our projects in Nigeria.

Jordan

Mr. Goodlad: To ask the Secretary of State for International Development what representations she has received from British banks concerning her Department's projects in Jordan. [8012]

Clare Short: None, but British banks have given a series of seminars for Jordanian bankers funded by Department For International Development and organised by the Chartered Institute of Bankers.

Development Educational Council

Mr. Goodlad: To ask the Secretary of State for International Development what plans she has for setting up a development educational council. [7870]

Clare Short: I am currently reviewing my Department's communications strategy, including development education, and will make an announcement in due course.

Transnational Companies (Code of Conduct)

Mr. Goodlad: To ask the Secretary of State for International Development when she expects her Department to introduce a code of conduct for transnational companies operating in developing countries. [7832]

Clare Short: There is increasing support in the business community for the adoption of voluntary codes of conduct which set minimum labour and environmental standards. My Department is facilitating discussions on these issues and those of ethical trading with business and NGOs. We expect to be able to present further proposals in the Development White Paper in the autumn.

Aid

Mr. Malcolm Bruce: To ask the Secretary of State for International Development what steps her Development is taking to increase the level of UK aid spending. [8315]

Clare Short: As I have repeatedly made clear and as my right hon. Friend the Prime Minister has confirmed the Government are committed to raising the levels of overseas aid. We have also made it clear that we will work within existing financial ceilings this year and next while redirecting our spending towards the objective of eliminating poverty. As we demonstrate progress, I hope additional resources will be made available in line with our manifesto commitment.

Mr. Luff: To ask the Secretary of State for International Development if she will set a target date for the United Kingdom to reach the target of 0.7 per cent. of GDP for overseas aid spending. [7837]

Clare Short: As I have repeatedly made clear, we are firmly committed to the 0.7 UN aid/GNP target and to reversing the decline in UK aid spending but have not set a target date.

Poverty

Mr. Hancock: To ask the Secretary of State for International Development if she will make a statement on the extension to a decade of the UN International Year for the Eradication of Poverty. [7926]

Clare Short: We welcome the International Decade for the Eradication of Poverty (IDEP) as a means to focus efforts on addressing the root causes of poverty. I hope the IDEP will foster an increased understanding that poverty eradication is fundamental to reinforcing peace and achieving sustainable development for the world as a whole.

Trade and Overseas Aid

Mr. Colvin: To ask the Secretary of State for International Development what estimate she has made of the number of United Kingdom jobs dependent on the link between trade and overseas aid. [7569]

Clare Short: Information is not available in the form requested. Development assistance helps to support jobs in the United Kingdom in several ways. Its key contribution is promoting economic growth in poorer countries. One in five UK exports goes to such countries. Some of the development assistance provided by donors offers procurement opportunities to competitive UK companies.

DEFENCE

Eurofighter

12. **Mr. Keith Simpson:** To ask the Secretary of State for Defence if he will make a statement on the future of the Eurofighter. [6518]

27. **Mr. Alan Keen:** To ask the Secretary of State for Defence if he will make a statement on his proposals for production of Eurofighter. [6533]

28. **Mr. Forth:** To ask the Secretary of State for Defence if he will make a statement on the implications for the purchase of the Eurofighter for the Royal Air Force of the outcomes of *(a)* the defence review and *(b)* the Government's fundamental expenditure review. [6534]

Mr. George Robertson: The Government remain strongly committed to Eurofighter. The development programme is proceeding very satisfactorily. We are ready to sign the Memoranda of Understanding for the production and support phases and I hope that as a result of the positive outcome from German Cabinet discussion last Friday, final German approval can be secured in the Bundestag in Autumn.

NATO Applicants

13. **Mr. Mackinlay:** To ask the Secretary of State for Defence what measures are being taken to facilitate joint training, interoperability and other harmonisation measures between United Kingdom forces and countries that are applicants for NATO membership. [6519]

Dr. Reid: My Department's Outreach programme of bilateral co-operation with central and eastern European countries comprises a wide range of training and advisory measures. Outreach supports NATO's Partnership for Peace initiative, which seeks to prepare applicants for NATO membership and to enhance interoperability between NATO and all of the countries of the region.

British Forces (Bosnia)

15. **Mr. Winnick:** To ask the Secretary of State for Defence if he will make a statement on the Government's policy on the length of stay of British Forces in Bosnia. [6521]

Mr. George Robertson: British Forces will remain in Bosnia until the end of the stabilisation force's mandate in June 1998.

Anti-personnel Land Mines

16. **Ms Christine Russell:** To ask the Secretary of State for Defence if he will make a statement on the action taken by his Department in respect of anti-personnel land mines. [6522]

Mr. George Robertson: On 21 May we announced that we would ban all trade in anti-personnel land mines involving the United Kingdom—that is, their import, export, transfer and manufacture. We also introduced a complete moratorium on their operational use. We will phase out our stocks of such land mines by 2005 at the latest.

Peacekeeping Troops

17. **Mr. Blunt:** To ask the Secretary of State for Defence what assessment he has made of how satisfactorily troops established, trained and equipped for peacekeeping operations can be adapted for high-intensity conflict. [6523]

Dr. Reid: Experience in the Gulf and Bosnia suggests that high quality, well trained and well equipped forces are needed for both peacekeeping and high intensity warfare. We will evaluate this during the Strategic Defence Review, when we will be looking at how we should deliver the capabilities needed to meet all of our essential security interests and defence needs.

Strategic Defence Review

18. **Mr. Colvin:** To ask the Secretary of State for Defence what is the estimated cost of the Strategic Defence Review; and if he will make a statement. [6524]

Mr. George Robertson: We will make maximum use of existing structures to conduct the Strategic Defence Review. Additional costs will be incurred, including in the process of consultation with outside experts and interest groups. It is too early to predict the total additional cost.

23. **Mr. David Davis:** To ask the Secretary of State for Defence whether decisions announced at the end of his defence review in respect of *(a)* Eurofighter aircraft, *(b)* the Trident submarine programme and *(c)* Nimrod 2000 will also be subject to the outcome of the Government's fundamental expenditure review. [6529]

Mr. Spellar: There will be one coherent review of defence. The Strategic Defence Review will be the Ministry of Defence's contribution to the Comprehensive Spending Review.

Sir Sydney Chapman: To ask the Secretary of State for Defence if he will make a statement on progress with the Strategic Defence Review, with particular reference to his proposals to set up a panel of experts. [6689]

Dr. Reid: Work on the Strategic Defence Review is continuing, taking account of the many outside inputs received. The advisory panel of experts has not yet been formed. We expect to announce the names of members later in the summer.

Mr. Key: To ask the Secretary of State for Defence if he has met trades unions for consultation on the Strategic Defence Review. [6757]

Dr. Reid: Discussions with trades unions on the Strategic Defence Review are being conducted through the usual consultation mechanisms. In addition, representatives of the trades unions attended the two Strategic Defence Review Seminars on 3 and 11 July.

Joint Services Command and Staff College

19. **Mr. Bercow:** To ask the Secretary of State for Defence if he will make a statement about progress on the Joint Services Command and Staff College. [6525]

Dr. Reid: Since the Joint Services' Command and Staff College came into being on 1 January this year in interim accommodation, some 16 Junior Division Courses and one Higher Command and Staff Course have been run under its auspices. Good progress has been made on the augmentation of the temporary Bracknell site, where the new joint Advanced Command and Staff Course (ACSC) and the next Navy Junior Division Course will start in the autumn. The beginning of the ACSC, for some 327 students including 90 from overseas, will be marked by an inauguration ceremony at Bracknell in early September. Bracknell will remain the primary interim site until a permanent facility is available, when it will be offered for disposal. Since their selection as preferred bidder in February, negotiations have continued with Defence management regarding their proposals for a permanent JSCSC at Shrivenham. A contract will be placed when negotiations have been satisfactorily completed.

Deceased Pilots (Fatal Accidents)

20. **Dr. Julian Lewis:** To ask the Secretary of State for Defence if the Royal Air Force has correctly been applying its rule in respect of a deceased pilot not being found guilty of negligence unless there is absolutely no doubt whatsoever of his responsibility for a fatal accident. [6526]

Mr. Spellar: I am content that the RAF has correctly adhered to the procedures governing the allocation of blame as set out in AP 3207, which contains the relevant instructions governing the conduct of RAF boards of inquiry.

Armed Forces (Retention)

21. **Charlotte Atkins:** To ask the Secretary of State for Defence what action his Department is taking to improve the rate of retention in the armed forces. [6527]

Dr. Reid: The Government are fully aware of the need to recruit and then retain sufficient numbers of the personnel of the right quality to meet the armed forces' requirements. My Department has taken several initiatives to improve the retention of trained personnel in all three services. In particular it has implemented the recommendation made by the Armed Forces Pay Review Body, in its 1997 Report to the Prime Minister, that the Commitment Bonus for Other Ranks, which is payable at the 4½ or 5 year service points, should be raised from £2,000 to £3,000. It has also targeted bonuses at specific groups of service personnel where retention problems have been identified; for example Sea Harrier pilots and

Marine Engineering mechanics in the Royal Navy, Army Private soldiers where skill shortages exist and junior ranks in the Royal Marines. The Government are also actively considering what other measures might be appropriate to improve retention in all three services.

Service Women

22. **Mr. Gordon Prentice:** To ask the Secretary of State for Defence what assessment he has made of proposals to allow women to serve in a front-line role in the infantry. [6528]

Dr. Reid: My Department is currently considering proposals for extending employment opportunities for women in the Army. No decision has yet been reached.

MOD Land

24. **Mr. Bennett:** To ask the Secretary of State for Defence to what extent he expects his Department's landholding in the United Kingdom to change in the next 12 months. [6530]

Mr. Spellar: The size and shape of the Defence Estate is kept under continual review to ensure that it is no larger than is required for operational purposes. There is an on-going disposal process from which, for example, the MOD budget benefited last year by some £100 million. The Strategic Defence Review now in progress will address the extent of the Defence Estate and I will report on the outcome in due course.

Statement on the Defence Estimates

25. **Mr. Key:** To ask the Secretary of State for Defence where and when he will publish factual material on the activities of his Department and the armed services which is usually contained in the "Statement on the Defence Estimates". [6531]

Dr. Reid: Factual material on the activities of the Department and the armed forces in 1996–97, which would usually be contained in the Statement on the Defence Estimates, will appear in an expanded Ministry of Defence Performance Report which the Department plans to publish in the autumn.

Territorial Army (Funding)

26. **Mr. Tony Colman:** To ask the Secretary of State for Defence if he will make a statement on funding for the Territorial Army and Voluntary Reserve. [6532]

Dr. Reid: We are confident that the funding of the Territorial Army is commensurate with its current role and the tasks placed upon it. The future role of the Territorial Army is being considered as part of the strategic defence review.

Aircraft Procurement (RAF)

29. **Mr. Evans:** To ask the Secretary of State for Defence what representations he has received concerning procurement of aircraft for the Royal Air Force. [6535]

Mr. Spellar: A number of representations has been received on this subject.

Submarines (Fishing Grounds)

30. **Mr. Godman:** To ask the Secretary of State for Defence when he last met representatives of commercial fishermen's organisations to discuss matters relating to the passage of NATO submarines through traditional fishing grounds. [6536]

Dr. Reid: My Department maintains regular contact with fishermen's organisations to discuss Royal Navy and other NATO submarine activity in areas frequented by fishing vessels. These discussions cover, amongst other things, the Code of Practice governing dived submarine operations in such areas, which has been agreed with fishermen's organisations and is applicable to Royal Navy and NATO submarines operating around UK waters. The Flag Officer Submarines has a Fisheries Liaison Officer who keeps in close touch with the fishing community, and my officials meet formally with fishermen's representatives once a year to discuss matters of mutual interest. We value all these contacts with the fishing community.

Trident

31. **Mr. Corbyn:** To ask the Secretary of State for Defence when he expects the final in-service date for the Trident fleet to be announced. [6537]

Mr. Spellar: There has been no change to the previously announced plan that the fourth and final Trident submarine will enter service early in the next century.

NATO Enlargement

32. **Mr. Sutcliffe:** To ask the Secretary of State for Defence if he will make a statement on progress towards NATO enlargement. [6538]

Dr. Reid: I refer my hon. Friend to the answer my right hon. Friend gave earlier today to my hon. Friend the Member for Erewash (Ms Blackman).

Defence Medical Services

33. **Mr. Viggers:** To ask the Secretary of State for Defence what action he has taken to improve the efficiency of the defence medical services. [6539]

Dr. Reid: The Defence Medical Services (DMS) is an efficient organisation staffed ny dedicated personnel who provide a high standard of medical care. I am well aware that there are, however, serious shortages in manpower and we are looking urgently at measures to improve recruitment and retention. In this context, I hope very soon to be in a position to respond to the recent report by the House of Commons Defence Select Committee.

The Government have recently accepted the recommendations of the Armed Forces Pay Review Body (AFPRB) which bring medical and dental officers' pay more closely into line with that of their NHS colleagues. In addition, pensions will, from April 1997, be based on the new medical and dental pay scales rather than combatant pay. We hope that these changes will improve the attractiveness of a career in the DMS. The future structure and organisation of the DMS, will of course, need to reflect the outcome of the Strategic Defence Review.

Armed Forces (Training)

34. **Mr. Sheerman:** To ask the Secretary of State for Defence what is the current training capacity of the British armed forces. [6540]

Mr. Reid: The three services compile their training data in different ways and comprehensive and comparable figures are, therefore, not available. However, the following is a guide to the current training capacity for Financial Year 1997–98:

Royal Navy and Royal Marines

3,428,000 student training days;

Army

4,040,298 student training days;

Royal Air Force

(a) Flying Training—aircrew (all types) 2,129 student places on a variety of different courses.

(b) Ground Training—Around 35,000 student places on some 700 different types of course.

The figures given are for individual training to ensure that our people are fully equipped to meet the tasks placed upon them. They do not include collective continuation training, which is an ongoing requirement to maintain operational effectiveness. The training requirement is carefully planned to allow for flexibility without wastage and is being met through the single service training agencies and by some tri-service defence schools.

Defence Exports (Indonesia)

35. **Mr. Mullin:** To ask the Secretary of State for Defence when he next expects to meet members of the Indonesian armed forces to discuss defence exports; and if he will make a statement. [6541]

Mr. Spellar: Currently there are no plans for the Secretary of State, or any other Defence Minister, to meet members of the Indonesian armed forces to discuss defence exports.

Foresight Action Programme

Mr. Lansley: To ask the Secretary of State for Defence if he will list the funding by *(a)* his Department, *(b)* other Government Departments and *(c)* British aerospace companies this year and in each of the following two years for the foresight action programme. [6520]

Mr. Spellar: I very much welcome the imaginative proposals of the Society of British Aircraft Companies in its foresight action programme. My Department has already identified programmes that can be aligned with Foresight Action and is considering the potential of others. I am pleased to be able to tell the hon. Gentleman that as part of our planning process we are also evaluating promising future programmes.

34 Field Hospital

Mr. Key: To ask the Secretary of State for Defence if he will list *(a)* the number of personnel on the recent exercise by 34 Field Hospital at Elvington airfield, *(b)* the numbers planned for theatre operational deployment by 34 Field Hospital and *(c)* numbers available currently for operational deployment by 34 Field Hospital, by each specialty described in the current Defence Medical Services Army manning spreadsheet; and if he will make a statement. [8547]

Dr. Reid: *(a)* 229 personnel from 34 Field Hospital participated in Exercise BOB CAT at Elvington airfield, near York, between 27 May and 16 June of this year.

(b) the number of hospital personnel who would deploy on operations, in 34 Field Hospital's current role in support of the Joint Rapid Deployment Force (JRDF), would depend on the composition of the force that is to deploy and the size of the hospital that is required to support that force. The following table illustrates the number of medical personnel that deploy with a hospital according to the number of beds and surgical teams the force will require, which in turn is dependant on the nature of the operation. The different requirements for beds and surgical teams are grouped into four categories.

Theatre operational deployment by 34 field hospital

Serial	*Reinforcement category*	*Total troops (cumulative)*	*Beds*	*Surgical teams*
1	[1]Cadre	106	25	1
2	[2]Category 1	121	25	2
3	Category 2	172	50	2
4	Category 3	270	100	4
5	Category 4	506	200	8

[1] The Reinforcement Category "Cadre" is a permanent staff that are based in barracks and provide the manpower for peacetime activities including command, equipment husbandry and administration.

[2] Categories 1 to 4 are reinforcement staff, who are mostly provided by Defence Secondary Care Agency (DSCA). Personnel to make up Categories 1 and 2 are nominated in advance, but the balance of personnel to make up Categories 3 and 4 are found as required from the balance of DSCA personnel.

(c) 34 Field Hospital is available for deployment with a full complement of the required specialists. The table below lists the personnel currently available for operational deployment, by speciality, and according to the various reinforcement categories.

Work is in hand to consider the future of the Operational Medical Capability requirements of the Armed Forces.

Defence Industry

Mr. Peter Bradley: To ask the Secretary of State for Defence what proposals the Government have to improve co-operation with the United Kingdom defence industry. [7344]

Mr. Spellar: I refer the my hon. Friend to the answer I gave to my hon. Frind the Member for Barrow and Furness (Mr. Hutton), *Official Report*, 16 June 1997, column *78*.

Campaign for Nuclear Disarmament

Mr. Collins: To ask the Secretary of State for Defence, (1) pursuant to his answer of 4 July, *Official Report*, column *303*, what other organisations were represented at the meeting with Mr. Knight of CND; [8171]

(2) pursuant to his answer of 4 July, *Official Report*, column *303*, what written materials were made available to Mr. Knight of CND during his meeting with Ministers; [8173]

(3) pursuant to his answer of 4 July, *Official Report*, column *303*, what other organisations were represented at the meeting with Mr. Knight of CND. [8172]

Dr. Reid: A list of those from outside Government who participated in the Strategic Defence Review seminar held on the 3 July is as follows:

Sir Brian Fall—Chairman

Josh Arnold-Forster, United Nations Association

Menzies Campbell (Liberal Democrat)

Professor Michael Clarke, Kings College London, peacekeeping

Rear Admiral Richard Cobbold, Royal United Services Institute

Jack Dromey, Transport and General and Vice Chairman of the Whitley Council

Paul Eavis, Saferworld

Jonathan Eyal, Royal United Services Institute, European security

Sir Timothy Garden, Royal Institute for International Affairs

Charles Grant, The Economist

Owen Green, Bradford University

James Gow, Kings College of London, Balkans

Rosemary Hollis, Royal Institute for International Affairs, Middle East

Martin Kettle, Guardian

Dave Knight, Campaign for Nuclear Disarmament

Mark Laity, BBC

Alan Lee Williams (Atlantic Council of the UK)

John Lloyd, New Statesman

Ann McElvoy (Spectator)

John MacKinley, Kings College London, peacekeeping

Edward Mortimer, Financial Times

Sebastian Pease, British Pugwash Group

Dan Plesch, British American Security Information Council

Dr. Alex Pravda, St. Antony's Oxford, Russia

Stephen Pullinger, International Security Information Service

Ron Smith, Birbeck, defence economist

Jon Snow, Channel 4

Peter Snow, BBC

Clare Spencer, Centre for Defence Studies, Middle East

Lord (William) Wallace, LSE, Europe

Sir George Young (Conservative)

All participants at the seminar were provided with an agenda for the meeting, a copy of the Ministry of Defence press release of 28 May and a list of the other representatives.

Royal Naval College

Mr. Key: To ask the Secretary of State for Defence when he expects to conclude negotiations between Greenwich Hospital, the Greenwich Foundation for the Royal Naval College and a new tenant for that site; and if he will make a statement. [8163]

Dr. Reid: We hope negotiations will conclude in the autumn, so as to allow the Foundation to take responsibility for the Royal Naval College Greenwich progressively as it is vacated by the Royal Navy through to 1999.

Humanitarian Projects

Mr. Key: To ask the Secretary of State for Defence if he will list the number of MOD personnel, military and civilian, who are working *(a)* in the United Kingdom and *(b)* overseas on identified humanitarian projects. [6764]

Dr. Reid: Information on the numbers of personnel engaged in humanitarian projects is not held centrally. However, in the former Yugoslavia 26 Service personnel work full-time on a range of humanitarian projects funded by the Department for International Development. Other humanitarian tasks are undertaken as the need arises. According to available records, on 1 July 1997 approximately 100 service personnel were assisting in flood relief operations in the Moray area of Scotland. On the same date HMS Liverpool and RFA Black Rover were in the vicinity of the island of Montserrat to provide any necessary assistance in the wake of the volcanic eruption. Parties were put ashore to assist in the construction of additional emergency facilities. It is likely that individual or small groups of service and civilian personnel were also taking part in humanitarian projects as a result of local initiatives.

Historic Buildings, Greenwich

Mr. Viggers: To ask the Secretary of State for Defence if he will make a statement on the progress of plans to promote the historic heritage at Greenwich by co-ordinating the activities of the National Maritime Museum and the new owners of Greenwich hospital. [7816]

Dr. Reid: The Greenwich Foundation for the Royal Naval college is working alongside the National Maritime Museum and other organisations to plan both for the development of the proposed World Heritage site, to which the Royal Naval college is central, and to develop plans for the display of the history of the college itself.

Mr. Viggers: To ask the Secretary of State for Defence if he will make a statement on the present position and the planned time scale in respect of the transfer of Greenwich Hospital to new owners. [7817]

Dr. Reid: The Ministry of Defence will cease use of the Royal Naval college Greenwich progressively up to mid-1999. Following the departure of the Joint Defence and Royal Navy Staff colleges this summer, the Department of Nuclear Science and Technology will cease training at Greenwich in late 1998. MOD occupation is planned to cease in mid-1999 on completion of the decommissioning of JASON, the small teaching reactor. The Greenwich Foundation for the Royal Naval college is negotiating with the Director of Greenwich hospital on the terms of a lease by which it will hold the site, with potential occupants, and is working closely with staffs in my Department and in the Department of National Heritage, with the aim of taking over the site progressively as MOD use ceases.

Interception of Communications

Mr. Baker: To ask the Secretary of State for Defence what steps he takes to ensure that the terms of the Geneva International Telecommunications conventions are complied with by *(a)* UK nationals involved in military activities and *(b)* US nationals based in the UK involved in military activities. [7625]

Dr. Reid: Article 48 of the International Telecommunication Union Convention allows members complete freedom with regard to military radio installations, except that these should as far as possible observe statutory provisions relative to giving assistance in case of distress and to measures to prevent harmful interference, and regulations concerning the types of emission and the frequencies to be used.

Every military radio user requires authorisation from the Ministry of Defence, which is responsible for ensuring that all military use of the radio spectrum in the United Kingdom complies with the Convention and for allocating frequencies to users.

Visiting forces' radio systems are authorised for use by the Ministry of Defence on the basis of a technical assessment. If the deployment of radio equipment is approved in principle the procedure for assigning frequencies should prevent operation of the equipment from causing harmful interference to existing equipment.

If interference is reported in spite of the procedures the complaint will be investigated.

Mr. Baker: To ask the Secretary of State for Defence on what date the security of tenure agreement between the UK and US Governments which allows the use of RAF Menwith Hill by US personnel comes to an end. [7629]

Dr. Reid: There is no security of tenure agreement in place at RAF Menwith Hill. The assurances that were given to the US authorities in 1955 and again in 1976 that the site would be made available to the US Forces by Her Majesty's Government for a period of 21 years, and which are known as the security of tenure arrangements, were given to facilitate the commitment of US funding to the station. They were an administrative mechanism, and did not constitute any form of renewable lease for the site.

Mr. Baker: To ask the Secretary of State for Defence what safeguards are in place to prevent American personnel based in the United Kingdom under the Visiting Forces Act 1952 committing offences under the Interception of Communications Act 1985; and what mechanisms are in place to detect any such offences. [7619]

Dr. Reid: Under the terms of the agreements that we have with the US authorities, the US visiting forces are subject to the laws of the UK in the same way as their British counterparts and this includes respecting the provisions of the Interception of Communications Act. We are content that the US authorities adhere scrupulously to these agreements.

Mr. Baker: To ask the Secretary of State for Defence what provisions exist for *(a)* the UK Government and *(b)* UK nationals to secure compensation for damage or losses caused by US personnel based in the UK who are on duty. [7631]

Dr. Reid: Provisions contained in the NATO Status of Forces Agreement deal with compensation issues. The agreement establishes a mutual waiver under which contracting parties will not claim from each other if the damaged property was owned and used by its Armed Forces. If the property is owned by a UK National, the Ministry of Defence will investigate a claim and pay any compensation due, in accordance with United Kingdom law. The United States will reimburse the United Kingdom 75 per cent. of the sum paid. This arrangement is of course reciprocal. Alternatively, a third party can issue proceedings against the US State Department through the Foreign and Commonwealth Office.

Mr. Baker: To ask the Secretary of State for Defence what discussions have taken place between the UK and US Governments regarding RAF Menwith Hill since 1 May; and if he will make a statement. [7627]

Dr. Reid: Discussions between UK and US officials take place on a regular basis in order to ensure that arrangements at the stations work smoothly.

Mr. Baker: To ask the Secretary of State for Defence what statutory provisions govern the powers of United States service men at Royal Air Force Menwith to intercept communications. [7494]

Dr. Reid: US visiting forces in the UK are subject to all applicable UK laws.

Mr. Baker: To ask the Secretary of State for Defence what steps he has taken to ensure that American personnel based at Menwith Hill do not monitor United Kingdom diplomatic and economic communications. [7623]

Dr. Reid: Senior UK personnel are integrated into every level at RAF Menwith Hill and we are thus in a position to be entirely confident that British staff are aware of all facets of operations and that no activity considered inimical to British interests is carried out there.

Mr. Baker: To ask the Secretary of State for Defence what factors underlay the decision to redesignate Menwith Hill Station as RAF Menwith Hill. [7621]

Dr. Reid: RAF Menwith Hill is a Crown freehold site belonging to the Ministry of Defence. The designation RAF Menwith Hill came into effect on 19 February 1996. This was simply an administrative change to bring the base into line with other RAF sites made available by the Ministry of Defence to the United States Government.

Visiting Forces

Mr. Baker: To ask the Secretary of State for Defence how many claims and what sum in total has been paid *(a)* to the United Kingdom Government and by whom and *(b)* by the United Kingdom Government and to whom for damage to property under the Agreement regarding the Status of Forces of Parties to the North Atlantic treaty since 1967. [7616]

Dr. Reid: The NATO Status of Forces Agreement establishes a mutual waiver under which Contracting Parties will not claim from each other if the damaged property was owned and used by its Armed Forces. If, however, such damage results from reckless acts or reckless omissions, wilful misconduct or gross negligence of a contracting party, the costs of any liability will be borne by that party alone.

The cost of claims for damage from third parties are shared between the relevant contracting parties on a ration of 75 per cent. : 25 per cent. The UK Government prepare a statement twice a year requesting reimbursement of 75 per cent. of the sums paid in the course of that period in respect of claims from third parties as a result of damage caused by the relevant contracting party.

Information on property damage claims is not, however, held centrally and could be provided only at disproportionate cost.

Mr. Baker: To ask the Secretary of State for Defence if US personnel based in the UK who are deemed to be on duty are permitted to carry arms anywhere within the UK. [7632]

Dr. Reid: Members of the US forces may carry firearms on condition that they are authorised to do so by their orders.

Mr. Baker: To ask the Secretary of State for Defence which RAF bases housing US personnel are *(a)* regarded and *(b)* not regarded as part of the NATO network. [7626]

Dr. Reid: All US visiting Forces based in the United Kingdom are available to undertake tasks in support of NATO.

Mr. Baker: To ask the Secretary of State for Defence (1) if he will review the Visiting Forces Act 1952 in respect of the limits it imposes on the absolute legal jurisdiction of the United Kingdom Government within the United Kingdom; [7624]

(2) what plans he has to review the Visiting Forces Act 1952; and if he will make a statement. [7628]

Dr. Reid: I am satisfied that the provisions of the Visiting Forces Act 1952 remain appropriate in order to comply with our continuing international treaty obligations.

RAF Menwith Hill

Mr. Baker: To ask the Secretary of State for Defence how many RAF personnel are based at RAF Menwith Hill; and what are their functions and powers. [7620]

Dr. Reid: There is a small number of RAF personnel at RAF Menwith Hill. I am withholding the further information requested under exemption 1 of the Code of Practice on Access to Government Information.

Nuclear Materials (Transportation)

Mr. Baker: To ask the Secretary of State for Defence if the Government *(a)* is consulted on, *(b)* is informed of and *(c)* gives clearance to movements of nuclear materials by US personnel within the UK. [7603]

Dr. Reid: All movements of nuclear materials, including weapons, by US personnel within the UK and its airspace take place in full consultation with my Department. This enables appropriate safety cover to be provided by MOD personnel.

Plastic Baton Rounds

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 19 June, *Official Report*, column *262–63*, why the RUC was not informed immediately when it became apparent that some plastic baton rounds were firing faster than the specified velocity. [8264]

Dr. Reid *[holding answer 11 July 1997]:* As I explained in answers to my hon. Friend on 19 June, *Official Report*, column *263* and 1 July, *Official Report*, column *738*, the assessment of initial tests in early 1996 showed that the tests were not conclusive. Following further tests, my Department decided in February 1997 that plastic baton rounds manufactured in 1994 should be withdrawn. The RUC were notified of this in March.

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 19 June, *Official Report*, columns *262–63*, how many of the 45,000 withdrawn plastic baton rounds are to be *(a)* reworked and *(b)* incinerated. [8273]

Dr. Reid *[holding answer 11 July 1997]:* Following further consideration, we have decided that of the 45,000 rounds, 14,000 will be considered for reworking but may be incinerated if they do not meet the required standard. The remaining rounds not being reworked will be expended in training.

Mr. Sedgemore: To ask the Secretary of State for Defence what happened to the plastic baton rounds from the faulty batch supplied in 1994 which were neither among those withdrawn in April this year nor among those fired by the RUC and the Army since that time. [8265]

Dr. Reid *[holding answer 11 July 1997]:* All batches of baton rounds manufactured in 1994 were withdrawn from operational use in April.

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 30 June, *Official Report*, columns *62-63*, if the guidelines ruling the use of plastic baton rounds by the armed forces are a classified document. [8275]

Dr. Reid *[holding answer 11 July 1997]:* The guidelines currently issued to service men are classified restricted. I have, however, decided that, in accordance with the Code of Practice on Access to Government Information, the information concerned should be made available. As my hon. Friend will know from my letter of 7 July, a copy of the current text of the guidelines has been placed in the Library.

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 19 June, *Official Report*, columns *262-63*, what facts need to be established before he can consider action against the manufacturer of faulty plastic baton rounds. [8272]

Dr. Reid *[holding answer 11 July 1997]:* The case for possible action against the manufacturer will be considered when a more detailed assessment of the cause of the problems can be completed.

Mr. Sedgemore: To ask the Secretary of State for Defence who monitors the use of plastic baton rounds by the Army in Northern Ireland. [8270]

Dr. Reid *[holding answer 11 July 1997]:* The use of plastic baton rounds by the Army in Northern Ireland is monitored by commanders at all levels.

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 10 June, *Official Report*, column *372*, what procedures were in place in 1994 to ensure that stocks of plastic baton rounds continued to conform to specifications; and what new procedures are now being put in place to ensure that existing stocks of plastic baton rounds continue to conform to specifications. [8271]

Dr. Reid *[holding answer 11 July 1997]:* All batches of rounds were tested by the contractor at the time of manufacture to enable the Department to accept them against the proof specification. There was no further regular in-service testing within the shelf life of the baton rounds, other than observation of performance in training. A new regime of testing is being introduced for all future purchases, under which each batch will be tested by the manufacturer followed by an independent assessment directly after manufacture and then regularly during the service life of each batch.

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 30 June, *Official Report*, column *73–74*, if alternative supplies of plastic baton rounds meeting the correct specifications were available early in 1995 when it became apparent that the 1994 rounds were faulty. [8268]

Dr. Reid *[holding answer 11 July 1997]:* No alternative supplies were available in 1995.

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 30 June, *Official Report*, columns *262–63*, when the results of tests on baton rounds manufactured in 1996 became available. [8274]

Dr. Reid *[holding answer 11 July 1997]:* The contractor's test results were available immediately after manufacture of each lot between January and October 1996. Additional firing tests were completed in August 1996 with a report available in October 1996.

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 30 June, *Official Report*, column *73–74*, if the plastic baton rounds made in 1996 were specifically manufactured to ensure that their velocities were below the recommended level. [8267]

Dr. Reid *[holding answer 11 July 1997]:* The 1996 rounds were specifically manufactured to ensure that their velocities were below the upper specification limit of 70 metres per second.

Defence Sales

Sir George Young: To ask the Secretary of State for Defence what consultations he has had with the Foreign Secretary on the review of defence sales policy. [6645]

Mr. Spellar: My right hon. Friend the Secretary of State for Defence has consulted my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs on a number of occasions, in the course of normal business, on the criteria used in considering licence applications for the export of conventional arms.

Redundant Land

Mr. Viggers: To ask the Secretary of State for Defence what assessment his Department has made of the advantages of changing the method of disposal of redundant Ministry of Defence land. [7878]

Mr. Spellar: I refer the hon. Member to the answer I gave to the hon. Member for Portsmouth, South (Mr. Hancock) on 2 June 1997, *Official Report*, column *12*.

CULTURE, MEDIA AND SPORT

Area Museum Councils

Mr. Dawson: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the future of area museum councils. [7847]

Mr. Fisher: A review of area museum councils was recently carried out for the Department by Mr. Tony Pender. His report was published in May and copies placed in the Libraries of the House. We are considering the recommendations he made about the future of the councils within the broad context of the Government's approach to regional and cultural strategies and the creative economy.

Tourist Facilities

Mr. Gordon Marsden: To ask the Secretary of State for Culture, Media and Sport if he will introduce legislation to improve standards in facilities for tourists. [7712]

Mr. Tom Clarke: "Breaking New Ground" set out the Government's commitment to high standards in tourism and hospitality. We are considering carefully with the ETB and the industry the action necessary to achieve this.

Birmingham Botanical Gardens

Ms Gisela Stuart: To ask the Secretary of State for Culture, Media and Sport if he will visit the Birmingham Botanical Gardens. [7704]

Mr. Tom Clarke: My right hon. Friend has no immediate plans to visit the Birmingham Botanical Gardens.

Hotels

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what plans he has to introduce a standardised rating system for hotels in *(a)* London and *(b)* England. [8169]

Mr. Tom Clarke: We welcome the proposals announced earlier this year by the ETB, AA, and RAC for the rating of hotels. The Government therefore has no immediate plans to introduce a standardised rating scheme of its own.

Royal Yacht

Mr. Desmond Turner: To ask the Secretary of State for Culture, Media and Sport what will be his Department's role in the preservation of the Royal Yacht Britannia when she is retired from service. [7580]

Mr. Tom Clarke *[holding answer 10 July 1997]:* My Department is represented on the Government's interdepartmental group which is considering the future of Her Majesty's Yacht Britannia.

SCOTLAND

Departmental Publications

Mr. Burstow: To ask the Secretary of State for Scotland how many of his Department's publications have

been available in *(a)* Braille, *(b)* audio tape and *(c)* large print in each year since 1992; and what percentage of the total number of publications this represents in each case. [7640]

Mr. Dewar: In the last five years the number of publications made available in Braille and audio tape is set out in the table.

Year	*Braille*	*Audio tape*
1992–93	6	2
Percentage of total publications	4.9	1.6
1993–94	1	2
Percentage of total publications	0.8	1.6
1994–95	3	3
Percentage of total publications	2.9	2.9
1995–96	3	4
Percentage of total publications	2.5	3
1996–97	2	3
Percentage of total publications	1.3	2

No large print publications have been issued.

A1 (Lorries)

Mr. Home Robertson: To ask the Secretary of State for Scotland what are the average and maximum number of weekly lorry movements on the A1 road in East Lothian expected to be generated by the use of the new landfill facility at Oxwell Mains for rubbish from Edinburgh. [7698]

Mr. Chisholm: The waste from Edinburgh will be transported to the Oxwell Mains landfill site by rail. Only in emergency situations, to be agreed by East Lothian Council, would the A1 trunk road be used for this purpose.

DUCHY OF LANCASTER

Deregulation

Mr. Colvin: To ask the Chancellor of the Duchy of Lancaster what is the Government's policy towards deregulation; and if he will make a statement. [7574]

Mr. Kilfoyle: We are committed to ensuring that regulations are fair, properly costed, simple to understand and practical to comply with. We aim to deliver responsible and responsive regulation for business, particularly small firms, and the citizen. I have appointed Chris Haskins to chair a new Better Regulation Task Force and the Deregulation Unit has similarly been renamed the Better Regulation Unit to reflect the fact that our priority is to get regulation right.

WALES

Compulsory Competitive Tendering

Mr. Forth: To ask the Secretary of State for Wales if he will list for the Review of Compulsory Competitive Tendering in Wales *(a)* the expected completion date and *(b)* the cost of conducting the review. [8240]

Mr. Win Griffiths: I refer the hon. Member to the reply given to him today by my hon. Friend the Member for Greenwich (Mr. Raynsford).

Dyfed Powys Health Authority

Mr. Denzil Davies: To ask the Secretary of State for Wales what percentage of the Dyfed Powys health authority's total expenditure in 1996–97 was accounted for by *(a)* managerial and administration costs, *(b)* wages, *(c)* salaries and *(d)* fees. [8411]

Mr. Win Griffiths: Total expenditure in 1996–97 by the Health Authority was £357.328 million, within which the HA's own costs were:

	Cost £000	*Percentage of total expenditure*
1. Non Executive Directors fees	57	Less than 0.1
2. Executive Directors Remuneration	337	0.1
3. Other salaries and wages	3,108	0.9
4. Other administration costs	823	0.2

Source: Unaudited accounts of the Dyfed Powys Health Authority. Please note all percentages are given to the nearest 0.1 per cent.

Departmental Publications

Mr. Burstow: To ask the Secretary of State for Wales how many of his Department's publications have been available in *(a)* Braille, *(b)* audio tape and *(c)* large print in each year since 1992; and what percentage of the total number of publications this represents in each case. [7639]

Mr. Ron Davies: My Department has made available bi-lingual versions of the following publications both in large print and audio tape since 1995. For previous years comparable information is not readily available.

1995–96

The Mental Handicap Strategy guidance (audio tape).

A Brief Guide to the Disability Discrimination Act for people with learning disabilities (large print and audio tape).

1996–97

A Patients Charter for Wales (audio tape).

This represents about 2 per cent. of the total number of publications produced in each year.

In addition we plan to produce the forthcoming Devolution Summary Document bi-lingually, both in large print (RNIB approved) and audio tape.

NORTHERN IRELAND

Exclusion Orders

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many exclusion orders have been issued or renewed since May; how many orders are presently in force; and if she will make a statement. [7370]

Mr. Ingram: No exclusion orders have been renewed or issued by my right hon. Friend the Secretary of State since May, and none for which she is responsible are currently in force.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Northern Ireland if, following the recent Budget, she will give her estimate of the total real level of her Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if she will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if she will make a statement. [8309]

Mr. Paul Murphy: The figures requested for my Department's spending plans within the Control Total are as follows: £7,791 million, £7,664 million, £7,864 million and £7,741 million. In addition Northern Ireland will benefit from part of the expenditure outside the Control Total which was announced in the Budget, for Welfare to Work and spending under the Capital Receipts Initiative.

Mr. Bruce: To ask the Secretary of State for Northern Ireland what new plans she has to introduce cuts and savings in her Department as a result of the effect on her Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if she will make a statement. [8310]

Mr. Murphy: All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

TRADE AND INDUSTRY

Minimum Wage

Mr. Colvin: To ask the President of the Board of Trade if her Department will assess the impact of the national minimum wage on small businesses in Hampshire; and if she will make a statement. [7665]

Mr. Ian McCartney: The likely impact of the introduction of the national minimum wage on small businesses is one of the issues to be considered by the independent Low Pay Commission before it issues its recommendation on the level at which the national minimum wage might be set. To help in this deliberation the Commission members will include representation from small business.

Mr. Colvin: To ask the President of the Board of Trade what timetable has been established for the Low Pay Commission *(a)* to reach a conclusion on the recommended level of the minimum wage and *(b)* to propose measures relating to the implementation of the minimum wage. [7657]

Mr. McCartney: Professor George Bain, the Chairman of the Low Pay Commission, will be working up a timetable for the Commission to enable it to produce a recommendation on the level at which the national minimum wage might be introduced.

Mr. Colvin: To ask the President of the Board of Trade if she will publish the terms of reference of the Low Pay Commission; and if she will make a statement. [7650]

Mr. McCartney: The terms of reference of the independent Low Pay Commission will be published in due course. We will ask the Commission, in making its recommendation on the level at which the national minimum wage might be set, to take into account the economic circumstances prevailing at the time.

Minister for Trade and Competitiveness in Europe

Mr. Redwood: To ask the President of the Board of Trade when the Minister for Trade and Competitiveness in Europe established a blind trust for his non-British Petroleum shareholdings. [7552]

Mrs. Beckett: Lord Simon's trust holdings have been in a discretionary trust since they were established. He has had no sole right of decision on these investments, and will have no power of decision in future. Lord Simon decided to transfer his non-trust holdings into a blind trust in accordance with guidance in "Questions of Procedures for Ministers" on his appointment as Minister for Trade and Competitiveness in Europe and set in hand the necessary arrangements. The legal structure of this transfer was proposed on 18 June. Legal finalisation is now proceeding. Lord Simon refrained from giving any trading instructions to his bank in respect of any of these investments following his appointment.

Mr. Redwood: To ask the President of the Board of Trade when and how her Department was informed that the Minister for Trade and Competitiveness in Europe should be kept apart from any information or decisions which could affect British Petroleum. [7550]

Mrs. Beckett: From the date of his appointment the Minister's private office has made sure, as agreed between Lord Simon and the Permanent Secretary, that no papers on matters having a bearing on BP are seen by the Minister, and that he is not invited to meetings to discuss BP issues.

Mr. Redwood: To ask the President of the Board of Trade when and by whom it was decided that the Minister for Trade and Competitiveness in Europe could not be involved in matters affecting British Petroleum. [7548]

Mrs. Beckett: As would be expected, the Minister for Trade and Competitiveness in Europe decided for himself on the day of his appointment that he should not be involved in matters affecting British Petroleum.

Mr. Redwood: To ask the President of the Board of Trade what discussions she has had concerning the compliance of the Minister for Trade and Competitiveness in Europe with procedures for Ministers. [7553]

Mrs. Beckett: I sought confirmation about the position reached on arrangements for handling his investments on the afternoon of 3 July, following which I wrote to the right hon. Member on 4 July.

Travel Trade

Mr. Redwood: To ask the President of the Board of Trade (1) if he will make a statement on the Government's policy concerning travel agencies owned by tour operators or general travel companies; [7853]

(2) if the statement made in Athens by the Under-Secretary with responsibility for consumer affairs that Lunn Poly shops should be rebranded as Thomson shops represented Government policy. [7848]

Mrs. Beckett: The Monopolies and Mergers Commission are currently investigating foreign package holidays and travel agents services and will report in November. Any concerns which they may raise will be considered when the report is received.

Mr. Redwood: To ask the President of the Board of Trade if she asked the Minister for Competition and Consumer Affairs to issue a correction to his statement at the Athens conference concerning the travel trade. [7849]

Mrs. Beckett: No. My hon. Friend did not make a statement in Athens—he participated in a panel session at a conference organised by the Institute of Travel and Tourism. Among the issues raised in that discussion was vertical integration in the travel industry, which my hon. Friend correctly pointed out was still under investigation by the MMC.

Mr. Redwood: To ask the President of the Board of Trade if she asked the Minister for Competition and Consumer Affairs to step down from consideration of the MMC investigation into the travel trade. [7852]

Mrs. Beckett: No. My hon. Friend announced on 1 July that he had decided to rule himself out of consideration of the MMC report into the travel trade. This was at his own initiative.

Competitiveness

Mr. Forth: To ask the President of the Board of Trade if she will give for the consultation on competitiveness *(a)* the expected completion date and *(b)* the cost of conducting the consultation. [8249]

Mrs. Beckett: *(a)* The consultation exercise is intended to lead to the publication of a White Paper early next year. Beyond that, I believe that a continuing dialogue with business interests is essential to enhancing the UK's competitiveness.

(b) It is not possible at this stage to give a precise separate figure for the cost of the consultation exercise, which has not yet been formally launched.

Timeshare

Mrs. Gillan: To ask the President of the Board of Trade whether the Parliamentary Under Secretary of State for Consumer Affairs has made formal complaints to the Portuguese and Greek Governments about timeshare operations. [8475]

Mr. Nigel Griffiths: No. The timeshare industry is relatively small in Greece and complaints resulting from timeshare purchases by UK citizens in Portugal are considerably fewer than in Spain. I am however concerned that some Member States have not yet implemented the EU Timeshare Directive and will be seeking information on their plans.

Mrs. Gillan: To ask the President of the Board of Trade if the Minister for Competition and Consumer Affairs has made a formal complaint to the Spanish Government about timeshare operations; and if she will publish the complaint and the response. [8473]

Mr. Griffiths: I wrote to the Spanish Government on 9 June about the failure to implement the EU Timeshare Directive in Spain to protect timeshare buyers. Spain has no cooling-off period. I am awaiting a reply. I have placed a copy of my letter in the Library of both Houses. I will also place a copy of the response.

Business Support

Mrs. Gillan: To ask the President of the Board of Trade what plans her Department has to control business practices which involve companies claiming fees in advance for services which are freely available through Government-supported operations. [8479]

Mrs. Roche: My Department is aware of cases of unscrupulous practice by a small number of companies—so called "grant cowboys"—who trade in grant availability advice to businesses. My advice to firms approached by such companies is to talk to their Business Links, who are a local and reliable source of advice on the full range of business support that is available both from the EU and other sources.

We will continue to keep the matter under review.

Mr. Sanders: To ask the President of the Board of Trade what restrictions apply to Business Link support for small firms; and if she will make a statement. [7899]

Mrs. Roche: Business Links are able to support all small firms within the limitations of European Community State Aid rules.

Royal Observatories

Mrs. Gillan: To ask the President of the Board of Trade what steps she took to examine the feasibility of privatising the Royal Greenwich Observatory in *(a)* Edinburgh and *(b)* Cambridge. [8351]

Mr. Battle: The Particle Physics and Astronomy Research Council (PPARC) was obliged by the previous Government to implement the recommendations of the prior options review of the Royal Observatories, including subjecting the instrumentation programme provided by the Royal Observatories to competitive tendering. The tendering process was suspended in November 1996 following the discovery of significant legal and financial difficulties. In the light of developments since then, PPARC approached me with fresh advice asking to be released from this obligation. I announced my acceptance of this advice in an answer to my hon. Friend the Member for Barking (Ms Hodge) on 4 July.

Mrs. Gillan: To ask the President of the Board of Trade if she will list the representations the Minister for Science, Energy and Industry received from hon. Members on the proposed closure of the Royal Greenwich Observatory in Cambridge prior to the closure announcement; and if she will publish those representations. [8472]

Mr. Battle: It is for hon. Members to publicise their approaches to me, should they wish to do so.

Telecommunications

Mrs. Gillan: To ask the President of the Board of Trade what discussions she has had with the Secretary of State for Culture, Media and Sport over responsibility for telecommunications; and if she will make a statement. [6877]

Mrs. Beckett: None.

Ministerial Visit (Japan)

Mrs. Gillan: To ask the President of the Board of Trade if she will make a statement on her trade visit to Japan; and how many contracts for British companies resulted. [7682]

Mrs. Beckett *[holding answer 10 July 1997]:* I visited Japan from 26–28 May. This was my first overseas visit as President of the Board of Trade and the first by a member of this Government to Japan. My purpose was to underline the importance we attach to close bilateral relationship we have with Japan. I met a wide variety of Japanese industrialists and spoke at a number of high-level events designed to promote further Japanese investment and trade.

My early visit was warmly welcomed by the Japanese government and business community.

Free Trade

Mr. Goodlad: To ask the President of the Board of Trade what is her Department's policy on a target date for global free trade. [6368]

Mrs. Beckett: The Government is committed to working with our trading partners within the EU and beyond on the progressive reduction of barriers to trade around the world and on the further development of multilateral trade liberalisation through the World Trade Organisation. The success of this process will determine the pace at which we can move towards global free trade.

Freedom of Information

Mr. Keetch: To ask the President of the Board of Trade if she will publish her Department's submissions relating to freedom of information legislation. [6034]

Mrs. Beckett *[holding answer 2 July 1997]:* I refer the hon. Member to the reply given by my right hon. Friend the Prime Minister on 4 July, *Official Report* columns *293–94.*

Nuclear Power

Mr. Matthew Taylor: To ask the President of the Board of Trade if she will take steps to ensure that the IAEA is supplied with detailed information from Euratom concerning the export and import of nuclear materials through the European Union. [6397]

Mr. Battle: Euratom notify the IAEA of information on the export and import of nuclear material from and to the European Union. This is a requirement of the three relevant safeguards Agreements: INFCIRC/193 (Euratom/IAEA/EU non-nuclear weapon States), INFCIRC/263 (Euratom/IAEA/UK) and INFCIRC/290 (Euratom/IAEA/France).

Mr. Taylor: To ask the President of the Board of Trade if she will take action to ensure that the IAEA is allowed access to German power plants in order to undertake verification inspections. [6414]

Mr. Battle: This is a matter for the parties to the relevant safeguards Agreement between Euratom, the IAEA and the European Union non-nuclear weapon states (known as INFCIRC/193). The IAEA's rights with respect to inspections are specified in Articles 70–82 of that Agreement.

Export Licences (Indonesia)

Dr. Tonge: To ask the President of the Board of Trade if she will seek legal advice as to the consequences of revoking the export licences for Hawk jets, Alvis armoured vehicles and GKN water cannons not yet delivered to Indonesia and make such legal advice available to the House. [6322]

Mrs. Roche *[holding answer 3 July 1997]:* Advice has been sought on the lawfulness of the possible revocation of licences for the export of Alvis armoured vehicles and police vehicles from Procurement Services International (including water cannon), not yet delivered to Indonesia.

It has not been the usual practice of successive Governments to make available to the House legal advice received in any area.

Renewable Energy

Mr. Baker: To ask the President of the Board of Trade (1) if she will make a statement on her policy on the use of the NFFO for incineration plants for waste to energy; [7613]

(2) what discussions have taken place with VEDCO in respect of the possible incineration plant in East Sussex; [7754]

(3) what moneys have been allocated to VEDCO under the NFFO scheme to develop a waste to energy plant in East Sussex. [7738]

Mr. Battle: I have already announced that I will initiate shortly a consultation exercise with the relevant trade bodies of the renewable energy industry, OFFER and the regional electricity companies on a fifth non-fossil fuel obligation (NFFO-5) order for renewable energy in England and Wales, leading to an announcement later in the year. VEDCO Energy Ltd were contracted by the regional electricity companies to generate 18.311 MW of electricity in an energy from waste plant at Newhaven, East Sussex in order to secure the capacity required by the last NFFO order, NFFO-4. Under the contract VEDCO Energy Ltd would be paid within the range of 2.66 to 2.80 p/kWh for the electricity generated. They will need to obtain planning permission for their project unless they have already done so. No discussions with VEDCO Energy Ltd in respect of this project.

Minister for Competition and Consumer Affairs

Mrs. Gillan: To ask the President of the Board of Trade if the recent speeches made by the Minister for Competition and Consumer Affairs, *(a)* Antwerp and *(b)* in Athens represent Government policy. [7408]

Mrs. Beckett *[holding 9 July 1997]:* The Speech made by my hon. Friend to the Institute of Trading Standards

Administration Conference in Antwerp set out both the actions already set in hand and future intentions concerning measures to improve consumer protection and as such was fully in line with Government policy in this area. My hon. Friend did not make a speech in Athens—he participated in a panel session at a conference organised by the Institute of Travel and Tourism. Among the issues raised in that discussion was vertical integration in the travel industry, which my hon. Friend correctly pointed out was still under investigation by the MMC.

Towards 2000 Trade Exhibition

Mr. Bercow: To ask the President of the Board of Trade if she will attend the Towards 2000 Trade Exhibition in October 1997 in New Delhi. [6862]

Mrs. Beckett *[holding answer 8 July 1997]:* The Towards 2000 Exhibition is being held at the time of the State Visit of HM the Queen and the HRH The Duke of Edinburgh. I will be visiting India myself later in the year, as one of my first overseas visits as President of the Board of Trade.

Ferry Line Merger

Mr. Baker: To ask the President of the Board of Trade when she expects to announce a decision in respect of the Monopolies and Mergers inquiry into the proposed merger of Stena and P and O. [5191]

Mr. Ieuan Wyn Jones: To ask the President of the Board of Trade if she expects to publish the Monopolies and Mergers Commission report into the merger between P and O and Stena Line before the end of July. [5994]

Mr. Wyatt: To ask the President of the Board of Trade what consultations she has had with the European competition authorities concerning the P and O and Stena merger; what action she is taking; and if she will make a statement. [5201]

Mrs. Beckett *[holding answer 24 June]:* I refer the hon. Member to the answer I gave my hon. Friend the member for Crewe and Nantwich (Mrs. Dunwoody) on 2 July, *Official Report*, column *181*. Consultation is taking place with the European Commission.

Post Office

Mr. Gordon Prentice: To ask the President of the Board of Trade what steps she is taking to ensure that the Post Office can operate with greater commercial freedom. [4280]

Mr. Ian McCartney: The options for granting greater commercial freedom to the Post Office are being examined in the context of the review which I announced on 16 May.

HEALTH

Emergency Admissions

Mr. Keetch: To ask the Secretary of State for Health how many emergency admissions to hospital there were by health service region in each month since January 1995; and if he will make a statement. [6751]

Mr. Milburn: Information in the form requested is available only between January and March 1995. However quarterly figures for non-elective finished consultant episodes are available from April 1995 to March 1997.

Emergency admissions to hospital by Region of treatment, NHS hospitals, England, January to March 1995

Region	*January 1995*	*February 1995*	*March 1995*
Northern	21,698	20,244	22,324
Yorkshire	26,088	23,556	25,107
Trent	23,908	20,796	22,143
East Anglian	15,490	13,582	14,918
North-west Thames	15,881	14,582	16,111
North-east Thames	26,040	23,297	25,541
South-east Thames	21,938	19,823	21,870
South-west Thames	16,035	14,726	16,680
Wessex	17,340	16,404	17,930
Oxford	14,248	12,939	14,540
South Western	20,166	18,105	20,512
West Midlands	33,945	30,484	32,910
Mersey	18,958	16,503	18,120
North Western	30,181	27,323	29,200
England	301,917	272,364	297,906

Note:
The data are grossed for coverage. Figures are rounded and may not total.
Source:
Department of Health, Hospital Episode Statistics HES.

Number of non-elective finished consultant episodes by region in each quarter in 1995–96

Thousands

Region	*Quarter 1*	*Quarter 2*	*Quarter 3*	*Quarter 4*
Northern and Yorkshire	139	136	143	144
Trent	121	125	131	138
Anglia and Oxford	93	98	100	98
North Thames	128	127	136	132
South Thames	122	124	127	134
South and West	130	128	139	134
West Midlands	108	108	111	97
North West	157	169	166	169
England	998	1,015	1,053	1,047

Number of non-elective finished consultant episodes by region in each quarter in 1996–97

Thousands

Region	*Quarter 1*	*Quarter 2*	*Quarter 3*	*Quarter 4 (estimate)*
Northern and Yorkshire	152	147	157	164
Trent	120	122	130	133
Anglia and Oxford	99	98	106	108
North Thames	129	133	137	140
South Thames	128	128	133	137
South and West	135	133	139	144
West Midlands	112	114	114	131
North West	166	172	178	178
England	1,040	1,048	1,094	1,134

1. All figures are derived from the NHS Executive's Quarterly Monitoring system. Figures for 1995–96 have been adjusted to estimate the effects of definitional and boundary changes to allow direct comparison with 1996–97 information.
2. The figures relate to activity commissioned using NHS funds by health commissions in 1995–96 and health authorities in 1996–97. This includes activity in private hospitals and NHS hospitals outside England, but excludes private patients and patients from outside England treated in English hospitals.
3. The figures are on a different basis to the long standing series published annually in "Ordinary and day case admissions for England". This annual series is based on activity reported by NHS hospital and community Trusts and includes private patients and patients from outside England.
4. Quarter 1 covers the three-month period of April, May and June. The subsequent quarters cover each three-month period thereafter.
5. Non-elective finished consultant episodes comprise largely of all episodes during a patient spell in hospital which began either with an emergency admission or with a transfer from another hospital.

Medical Negligence

Mr. Jack: To ask the Secretary of State for Health what factors underlie the rise in his Department's expenditure on medical negligence between 1996–97 and 1997–98. [6802]

Mr. Milburn: It is too early in the financial year for there to be any figures for 1997–98 with which to make comparisons. Estimated costs to the National Health Service of clinical negligence claims in fact fell in 1995–96 to £149.1 million from £160 million in 1994–95.

Increases in clinical negligence expenditure in previous years should not be taken as an indication that the National Health Service is failing. Rather, patients are developing a better understanding of the treatment and services available to them, and a greater awareness of their rights to compensation when something does, unfortunately, go wrong.

Computers (Century Date Change)

Mr. David Atkinson: To ask the Secretary of State for Health if he will make a statement on his Department's timetable for dealing with the Year 2000 Computer Problem; who is in charge of the project; how many staff are working on it; and what is the projected cost of resolving the problem; and whether the project is on schedule. [7133]

Ms Jowell: The Department has conducted an audit of all its computer systems and produced a high level plan to address the problem. The Department is committed to having all business critical systems fully compliant by the Central Information Technology Unit recommended deadline.

The work programme is being co-ordinated by the Department's head of applications development and support who reports to the Departmental Information Systems Steering Committee on the Year 2000 issue.

All IT staff have a responsibility for ensuring applications under development are Year 2000 compliant. There are currently five staff dedicated to Year 2000 work.

A fully costed, timed and prioritised programme of remedial work will be prepared by the autumn.

PFI Hospital Projects

Mr. Jack: To ask the Secretary of State for Health if he will list those construction companies, consortia, banks and any other organisations which have written to him confirming their willingness to proceed with PFI hospital projects once legislation dealing with the vires issues has *(a)* been passed by Parliament and *(b)* received Royal Assent. [7419]

Mr. Milburn: I refer the right hon. Member to the replies I gave the hon. Member for South Suffolk (Mr. Yeo) on 22 May 1997 at column *176* and on 9 June 1997 at columns *299–300*.

NHS Expenditure

Mr. Campbell-Savours: To ask the Secretary of State for Health if money released in the budget Statement for the financial year 1998–99 for NHS expenditure can be used directly or indirectly so as to enable *(a)* health authorities and *(b)* NHS Trusts to (i) reduce their deficits in 1997–98 and (ii) carry such deficits forward. [7723]

Mr. Milburn: Health Authority allocations for 1998–99 will be announced in the autumn. These cannot be spent in 1997–98. However, knowledge of the resources available in 1998–99 will help health authorities and trusts to plan their financial management of 1997–98 with more confidence and influence their decisions.

Mr. Jack: To ask the Secretary of State for Health if he will make a statement on the actions required to be taken by an NHS trust if its accounts are in deficit at the end of a financial year. [7446]

Mr. Milburn: National Health Service trusts have the one statutory duty to break even taking one year with another. If a trust reports a deficit in its accounts it will be expected to recover the deficit over an agreed timescale.

Mr. Jack: To ask the Secretary of State for Health if he will list the NHS trusts and health authorities which were in deficit at the end of 1996–97 indicating the size of the deficit for each. [7762]

Mr. Milburn: The information requested is available in the Library.

Mr. Jack: To ask the Secretary of State for Health if he will update Table 2.1 in his Department's annual report taking into account the additional allocation of moneys for 1997–98 announced by the Chancellor on 2 July. [7463]

Mr. Milburn: We shall update Table 2.1 in the next Departmental Report.

Mr. Jack: To ask the Secretary of State for Health what factors underlay the deficits for *(a)* Bradford, *(b)* Dudley, *(c)* Ealing, *(d)* Hammersmith and Hounslow, *(e)* Enfield and Haringey, *(f)* Lambeth, *(g)* Southwark and Lewisham, *(h)* Merton, *(i)* Sutton, *(j)* Wandsworth, *(k)* North Essex, *(l)* Redbridge and Waltham Forest, *(m)* Wakefield and *(n)* West Surrey and Wiltshire health authorities for 1996–97. [7757]

Mr. Milburn: The factors which underlay the health authority deficits reported in 1996–97 include overspends resulting from extra-contractual referrals, general practitioner fundholder overspends and the need for service changes.

Mr. Jack: To ask the Secretary of State for Health when he expects to publish a list of those health authorities which have recurrent deficits. [7761]

Mr. Milburn: The information requested will be placed in the Library in due course.

Mr. Jack: To ask the Secretary of State for Health if he will list the annual real terms increase or decrease in resources available to the national health service *(a)* in England and *(b)* in Wales for each financial year since 1978–79. [7454]

Mr. Milburn: The annual real terms increases in National Health Service resources in England from 1978–79 are set out in the table. Questions relating to Wales are a matter for my right hon. Friend the Secretary of State for Wales.

NHS Total Gross Expenditure (England)[1]

Year	*Percentage real growth*[2]
1978–79	3.2
1979–80	1.8
1980–81	10.1
1981–82	2.2
1982–83	1.8
1983–84	1.5
1984–85	2.4
1985–86	0.2
1986–87	4.4
1987–88	4.5
1988–89	4.2
1989–90	0.7
1990–91	3.6
1991–92	6.4
1992–93	5.2
1993–94	0.6
1994–95	3.6
1995–96	1.9
1996–97	1.2
1997–98	0.5

[1] NHS gross expenditure is made up of Government expenditure (raised by taxation), plus income from sources such as charges for services, receipts from land sales and income generation schemes.
[2] The percentage real terms growth is calculated using the GDP deflator of 27 June 1997.

Mr. Jack: To ask the Secretary of State for Health if he will list the administrative costs of each health *(a)* authority and *(b)* trust in England (i) in total and (ii) as a percentage of their budget for 1996–97. [7452]

Mr. Milburn: The information requested is contained in the publication "Health Authority Costs and Management Costs in National Health Service Trusts" published in March 1997, copies of which are available in the Library. This details individual health authority costs and trust management costs for 1995–96, as well as planned costs in 1996–97. Final accounts figures for Health Authority costs and trust management costs in 1996–97 are expected to be available towards the end of the year.

Waiting Lists

Mr. Jack: To ask the Secretary of State for Health if he will publish by speciality for each hospital trust the numbers of people on their waiting lists in May *(a)* 1992 and *(b)* 1997. [7453]

Mr. Milburn: Waiting list information for all trusts is collected quarterly and is not therefore available for the month of May. The latest information, which shows numbers of patients waiting by trust, specialty and six-month timebands, is contained in "Hospital Waiting List Statistics: England at 31 March 1997", copies of which are available in the Library, as is the corresponding publication giving the position on 31 March 1992.

Elderly Care Beds (North Staffordshire)

Ms Walley: To ask the Secretary of State for Health if he will place in the Library copies of the minutes of meetings relating to ward changes involving elderly care beds in North Staffordshire as supplied to the North Staffordshire Community Health Council. [7449]

Mr. Boateng: I will arrange for copies to be placed in the Library shortly. The Government are committed to ensure openness within the National Health Service and full consultation on substantial variations in service that affect patient care.

Private Health Insurance

Mr. Colvin: To ask the Secretary of State for Health if he will estimate the impact on NHS waiting lists of the abolition of tax relief on private health insurance for the elderly; and if he will make a statement. [8533]

Mr. Milburn: Any such estimate would be pure speculation. Most of the people who benefited from the tax relief were existing policy holders. It would be wrong

to assume that they will turn to the National Health Service in large numbers for treatment because the relief which had not been available when they first opted for private health insurance was now being withdrawn.

Departmental Publications

Mr. Burstow: To ask the Secretary of State for Health how many of his Department's publications have been available in *(a)* Braille, *(b)* audio tape and *(c)* large print in each year since 1992; and what percentage of the total number of publications this represents in each case.[7641]

Mr. Boateng: Publications made available in Braille, audio tape and large print by this Department for each year since 1992 are given in the table.

Information on the percentage of the total number of publications this represents in each case could only be provided at a disproportionate cost. The Department does not have a central record of all publications produced.

Braille	*Audio tape*	*Large print*
1992–93		
—	While You Are Pregnant	—
—	Keep Warm Keep Well	—
—	Community Care Changes in April 1993	Community Care Changes in April 1993
—	The Health of the Nation and You	—
1993–94		
Continence	Continence	—
European Drug Prevention Week: You and Your Child	European Drug Prevention Week: You and Your Child	European Drug Prevention Week: You and Your Child
	Keep Warm Keep Well	—
1994–95		
Informability	Informability	Informability
—	Helios Speeches	Helios Speeches
—	Keep Warm Keep Well	—
—	Inform 92	—
Maternity Services Charter	—	Maternity Services Charter
The Patients Charter and You	The Patients Charter and You	The Patients Charter and You
1995–96		
Patient's Charter	Patient's Charter	Patient's Charter
Dual Sensory Guidelines	Dual Sensory Guidelines	—
Practical Guide for Disabled People (HB6)	Practical Guide for Disabled People (HB6)	—
—	Keep Warm Keep Well	—
—	Searching For Service	—
—	Continence	—
1996–97		
How To Get The Best From Maternity Services	—	—
—	Keep Warm Keep Well	—
—	Community Care	—
—	—	NHS Complaints
—	Help With NHS Treatment Costs (HC11)	Help With NHS Treatment Costs (HC11)
—	Moving into a Care Home	Moving into a Care Home
NHS Complaints	NHS Complaints	NHS Complaints

Joint Commissioning

Mr. Baker: To ask the Secretary of State for Health what plans he has to encourage joint commissioning between NHS trusts and social service departments of local authorities; and if he will make a statement. [7633]

Mr. Boateng: It is health authorities rather than National Health Service trusts who are responsible for joint commissioning with social service departments. Social care, health and housing are becoming increasingly inter-related and this needs to be reflected both in the planning and commissioning of services and in the care package delivered to individuals.

Officials are looking into new ways of working to further support joint commissioning between agencies.

Mental Illness

Mrs. Ewing: To ask the Secretary of State for Health what plans he has to extend the list of medical conditions set out in the National Health Service (Remission of Charges) Regulations 1988 and the National Health Service (Remission of Travelling Expenses and Charges) (Scotland) Regulations 1988 to include acute mental illnesses, with particular reference to *(a)* manic depression and *(b)* schizophrenia. [7700]

Mr. Milburn: Prescription charges and all other aspects of Government spending, are being reviewed as part of the Government's comprehensive spending review.

Obstetrical Brachial Palsy

Mr. Burstow: To ask the Secretary of State for Health if he will investigate delays in the referral of children with obstetrical brachial palsy for primary nerve surgery. [7636]

Mr. Boateng: Most children with obstetrical brachial palsy make a spontaneous recovery, but in severe and persistent cases—once identified—early referral to consider surgical remedy is desirable. The decision to refer, and when to do so, is a matter for clinical judgment.

Emergency Admissions

Mr. Baker: To ask the Secretary of State for Health what were the total number of emergency admissions to national health service hospitals by region for *(a)* October, *(b)* November, *(c)* December, *(d)* January and *(e)* February in each of the years (i) 1994–95, (ii) 1995–96 and (iii) 1996–97. [7612]

Mr. Milburn: Information in the form requested is only available at present for the year 1994–95. However quarterly figures for non-elective finished consultant episodes are available for 1995–96 and 1996–97.

Emergency admissions to hospital by Region of treatment, NHS hospitals, England, October 1994 to February 1995

Region	*October 1994*	*November 1994*	*December 1994*	*January 1995*	*February 1995*
Northern	21,097	20,852	21,634	21,698	20,244
Yorkshire	25,075	25,050	26,151	26,088	23,556
Trent	26,908	26,077	25,722	23,908	20,796
East Anglian	15,104	14,694	15,863	15,490	13,582
North-west Thames	16,105	16,021	16,399	15,881	14,582
North-east Thames	24,670	24,940	25,991	26,040	23,297
South-east Thames	21,523	21,624	22,179	21,938	19,823
South-west Thames	15,770	15,644	16,624	16,035	14,726
Wessex	16,372	16,392	17,748	17,340	16,404
Oxford	13,166	13,087	13,849	14,248	12,939
South Western	19,055	18,883	20,223	20,166	18,105
West Midlands	31,858	31,935	33,915	33,945	30,484
Mersey	18,201	17,985	18,927	18,958	16,503
North Western	30,382	30,203	30,766	30,181	27,323
England	295,285	293,387	305,990	301,917	272,364

Notes:
These data are grossed for coverage. Figures are rounded and may not total.
Source:
Department of Health, Hospital Episode Statistics HES.

Number of non-elective finished consultant episodes by region, thousands

Region	*3rd Quarter 1995–96 (October-December)*	*4th Quarter 1995–96 (January-March)*	*3rd Quarter 1996–97 (October-December)*	*4th Quarter 1996–97 (January-March) estimate*
Northern and Yorkshire	143	144	157	164
Trent	131	138	130	133
Anglia and Oxford	100	98	106	108
North Thames	136	132	137	140
South Thames	127	134	133	137
South and West	139	134	139	144
West Midlands	111	97	114	131
North–West	166	169	178	178
England	1,053	1,047	1,094	1,134

1. All figures are derived from the NHS Executive's Quarterly Monitoring system. Figures for 1995–96 have been adjusted to estimate the effects of definitional and boundary changes to allow direct comparison with 1996–97 information.
2. The figures relate to activity commissioned using NHS funds by health commissions in 1995–96 and health authorities in 1996–97. This includes activity in private hospitals and NHS hospitals outside England, but excludes private patients and patients from outside England treated in English hospitals.
3. The figures are on a different basis to the long standing series published annually in "Ordinary and day case admissions for England". This annual series is based on activity reported by NHS hospital and community Trusts and includes private patients and patients from outside England.
4. Non-elective finished consultant episodes comprise largely of all episodes during a patient spell in hospital which began either with an emergency admission or with a transfer from another hospital.

Funding

Mr. Baker: To ask the Secretary of State for Health what account he takes of the expenditure levels and policy priorities of local authorities in respect of their social service functions before deciding on the allocation of funds to *(a)* health authorities and *(b)* NHS trusts. [7634]

Mr. Milburn: Allocations to health authorities are informed by a weighted capitation formula which reflects the health needs of local resident populations. The need

of populations for social service provision is assessed separately. We are assessing how better to ensure more effective collaboration between health authorities and Social Services departments.

National Health Service trusts receive most of their income through contracts with health authorities and general practitioner fundholders. They are not directly funded by the Department of Health.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Health what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8304]

Mr. Milburn: All Departments are reallocating spending within their Departmental ceilings as part of the comprehensive spending review.

Waiting Times

Mr. Fearn: To ask the Secretary of State for Health if he will list the changes in waiting times in key specialties, for consultations referred from general practices between June 1996 and June 1997 for *(a)* the north-west of England and *(b)* the United Kingdom as a whole. [8167]

Mr. Milburn: Information on the time waited by patients following written referral by their general practitioner to a hospital consultant is published quarterly in "Waiting Times for First Outpatient Appointments England: Detailed Statistics". This shows how long patients seen during the quarter had waited broken down by region, trust, specialty and timeband. Figures for the quarter ended 31 March 1997 will be published on 17 July. Copies will be available in the Library as is the corresponding publication for the quarter ended 30 June 1996.

Questions relating to Wales, Scotland and Northern Ireland are matters for my right hon. Friends the Secretaries of State for Wales, Scotland and Northern Ireland respectively.

Farmers' Suicides

Mr. Tyler: To ask the Secretary of State for Health (1) when the report into farmers' suicides commissioned by his Department will be completed; [8338]

(2) when the report into farmers' suicides commissioned by his Department will be published. [8339]

Mr. Boateng: The Department of Health has commissioned a study into suicide in high risk groups, including farmers, which is being carried out by Professor Keith Hawton at the University of Oxford.

The data collection of the farmers component of the study is nearing completion, and data analysis and preparation of the final report has begun. The Department expects that the final report will be submitted in early autumn 1997, following which publication in peer reviewed journals and Departmental publications will be pursued.

SOCIAL SECURITY

Child Benefit Centre

Mr. McWilliam: To ask the Secretary of State for Social Security if she will review the proposals to privatise the Child Benefit Centre in Washington; and if she will make a statement; [6247]

Mr. Kemp: To ask the Secretary of State for Social Security if she will make a statement on the future of the National Child Benefit Centre. [6644]

Mr. Field: We will streamline services to provide better, simpler more efficient services to clients.

We will be assessing the Department's current programme of changes—including outsourcing proposals—in the light of

their implications for customer service, staff and the tax payer;

our aim of getting best value for money;

and our commitment to work within announced spending totals.

My right hon. Friend the Secretary of State, and myself have started meeting and seeking the views of those affected—including the Departmental trade union side. I intend visiting the Child Benefit Centre very shortly.

Pensions (Prisoners)

Mr. McNamara: To ask the Secretary of State for Social Security what is the effect on the pension arrangements of an individual serving more than five years imprisonment before being found by the Court of Appeal to have been wrongfully convicted. [7371]

Mr. Denham: People are not liable to pay national insurance contributions for the period of their imprisonment, but they can maintain their record for a basic state retirement pension by paying voluntary contributions for that period at any time before the end of the sixth year following the year in which it ended. The cost of the contributions may be included in claims for compensation under the statutory or ex gratia schemes for people who have been wrongfully imprisoned.

Tax and Benefit Reviews

Mr. Kirkwood: To ask the Secretary of State for Social Security if she will make a statement on the remit of the reviews of the tax and benefit systems being undertaken by *(a)* Mr. Martin Taylor and *(b)* the Minister for Social Security and Welfare Reform; if he will make a statement on how they relate to each other; and what the consultation process and time scale will be in each case. [7410]

Mr. Field: We are committed to modernising the structure and delivery of Social Security in order to encourage independence, social cohesion and well being; to develop an active welfare system which supports work, savings and honesty; and to help tackle effectively unjustifiable social and economic inequalities. To that end we will be examining the major components of the system. We will consult on specific issues in due course.

Mr. Martin Taylor has been asked by my right hon. Friend, the Chancellor of the Exchequer, to examine the interaction of the tax and benefits systems to that they can be streamlined and modernised, so as to fulfil our

objectives of promoting work incentives, reducing poverty and welfare dependency and strengthening family and community life. The conclusions that emerge from that review will inform the judgments in my right hon. Friend's next budget, which will be in the spring of 1998.

There will be close liaison between this tax benefit review and the wider review on welfare reform.

Housing Benefit

Mr. Burstow: To ask the Secretary of State for Social Security what will be the cost of *(a)* not extending the restriction on housing benefit to the single room rent to people aged 25 to 59 years from October 1997 and *(b)* adjusting the level of non-dependant deductions from April 1998. [7595]

Mr. Keith Bradley: The cost of not extending the restriction on housing benefit to the single room rent to people aged 25 to 59 years from October 1997 is £6 million; £47 million; £69 million for the financial years 1997–98, 1998–99 and 1999–00 respectively.

My right hon. Friend, the Secretary of State, announced, as part of our commitment to keep spending within the planned ceiling for Social Security expenditure, our decision to review the levels of non-dependant deductions from April 1998. A final decision on the levels of deductions will not be taken until our annual review of benefit rates is completed later in the year. We will announce the outcome of the review on non-dependant deductions at that time.

Housing and Council Tax Benefits

Mr. Burstow: To ask the Secretary of State for Social Security what are the estimated annual savings for *(a)* housing benefit and *(b)* council tax benefit that will be generated by reducing to one month the time limit for their backdating. [7635]

Mr. Keith Bradley: It is not possible to make precise estimates of the annual savings from this proposal because decisions on claims for backdating in housing benefit and council tax benefit, which are made by local authorities, are based on the circumstances surrounding each individual case. The best available estimate is that the measure may produce savings of up to £15 million in a full year.

Appeals

Mrs. Ewing: To ask the Secretary of State for Social Security (1) how many applications for social security appeals were received in *(a)* Scotland, *(b)* England, *(c)* Wales and *(d)* Northern Ireland in each year since 1992; [7741]

(2) what is the average waiting time for an applicant to have his or her appeal heard and for the appeal process to be completed in *(a)* Scotland, *(b)* England, *(c)* Wales and *(d)* Northern Ireland in each year since 1992; [7742]

(3) how many social security appeals were carried out by the Independent Tribunal Service in *(a)* Scotland, *(b)* England, *(c)* Wales and *(d)* Northern Ireland in each year since 1992. [7740]

Mr. Keith Bradley: The Social Security Bill which was introduced on 9 July will modernise the delivery of Social Security. One of the key objectives is to improve the appeals system and reduce delays.

Questions on the operational performance of the Independent Tribunal Service in England, Scotland and Wales should be directed to its President, His Honour Judge Bassingthwaighte.

Questions on the operational performance of the Independent Tribunal Service in Northern Ireland should be directed to its President, Mr. Conal MacLynn.

Disability Living Allowance

Mr. Burstow: To ask the Secretary of State for Social Security how many disabled people will be affected by removing the right to claim disability living allowance for those between 65 and 66 years of age; and what is the total amount of money that will be saved in the first year. [7747]

Mr. Denham: We are committed to a review with the objective of reducing poverty and welfare dependency and promoting work incentives. Provision for disabled people will form part of that review.

From 6 October 1997, disabled people aged 65 will no longer be able to claim disability living allowance. This will affect an estimated 10,000 disabled people annually. Savings in the first full year have been assessed at around £50,000 in respect of administrative costs and £20 million in programme expenditure. Disabled people aged 65 and over will still be able to claim attendance allowance.

Policy Reviews

Mr. Swayne: To ask the Secretary of State for Social Security what will be the total cost of her policy reviews. [7637]

Mr. Field: We are committed to modernising the structure and delivery of Social Security in order to encourage independence, social cohesion and well being; to develop an active welfare system which supports work, savings and honesty; and to help tackle effectively unjustifiable social and economic inequalities. To that end we will be examining the major components of the system. We will consult on specific issues in due course. In keeping with our commitment to manage within current cash plans, the costs of the policy reviews will be absorbed within the Department's existing running costs limits.

Council Tax Benefit

Mr. Burstow: To ask the Secretary of State for Social Security how many pensioner households will be affected by restricting council tax benefit so that claimants with property in bands F, G and H, have their council tax benefit restricted to that of band E; what is the average amount of council tax benefit that will be withdrawn; and what will be the savings in the first year arising from these changes. [7746]

Mr. Keith Bradley: We estimate that 30,000 pensioners will be affected by this measure which was left over from the previous administration.

The total number affected is estimated to be 65,000. The average amount of council tax benefit withdrawn will be £3.80 a week. The estimated savings in the first year are £15 million.

Income Support

Mr. Swayne: To ask the Secretary of State for Social Security how much she estimates that her campaign to persuade more elderly people to take up income support will cost to run; and what increased benefit expenditure it will produce. [7638]

Mr. Denham: We are committed to examining the means of delivering more automatic help to the poorest pensioners. As a first step we have commissioned research to establish the reasons why pensioners do not claim their income support entitlement, and the most effective means of encouraging them to do so.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Social Security what new plans she has to introduce cuts and savings in her Department as a result of the effect on her Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if she will make a statement. [8308]

Mr. Field: All Departments are reallocating spending within their Departmental ceilings as part of the comprehensive spending review.

Mr. Bruce: To ask the Secretary of State for Social Security if, following the recent Budget, she will give her estimate of the total real level of her Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if she will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if she will make a statement. [8307]

Mr. Field: The figures requested for this Department's spending plans within the control total are as follows:

Department of social security control total expenditure in 1995–96 prices

£ million

	1997–98	*1998–99*
Budget 1997 control total	75,640	76,596
Budget 1996 control total	76,272	77,781

In addition the Department will benefit from part of the Welfare to Work expenditure which was announced in the Budget. It is also responsible for cyclical social security spending. Both of these are outside the Control Total.

Notes:

1. The Budget 1997 figures were calculated using the GDP deflator assumptions for July 1997.
2. The Budget 1996 figures were calculated using the GDP deflator assumptions for November 1996.

Sources:

1. Control Total Budget 1997—Financial Statement and Budget Report July 1997.
2. Control Total Budget 1996–Financial Statement and Budget Report 1997–98.

Advance Corporation Tax

Mr. Bernard Jenkin: To ask the Secretary of State for Social Security if she will place in the Library the advice she has sought from the Government Actuary following the Budget changes to advance corporation tax on *(a)* the relative attractiveness of (i) remaining in SERPS and (ii) opting out of SERPS and *(b)* on the estimated numbers of those who might now opt back into SERPS; and if she will make a statement. [8476]

Mr. Denham: I refer the hon. Member to the answer I gave to the hon. Member for Buckingham (Mr. Bercow) on 7 July, *Official Report*, columns *376–77*.

Residential Allowances

Mr. Laurence Robertson: To ask the Secretary of State for Social Security if she will review the rates of residential allowance for which *(a)* residents of local authority homes and *(b)* residents of private nursing homes are eligible. [8548]

Mr. Keith Bradley: A key priority of the Government is to focus on the central areas of insecurity for older people. A key element of the review process will be to listen to the views of older people on all matters which are of concern to them—including community care issues.

AGRICULTURE, FISHERIES AND FOOD

Radioactive Waste

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food if Professor Holliday's 1984 report into radioactive waste disposal in the north Atlantic had access to correspondence between the Scottish Department, the Ministry of Agriculture and the War Office dating from October 1953 to November 1967; and if Professor Holliday had unrestricted access to documentation on the dumping of radioactive waste in Beaufort's Dyke. [7192]

Mr. Rooker: The Department has so far been unable to identify any evidence that the correspondence to which I referred in my written reply of 1 July 1997, *Official Report*, columns *158-60*, was shown to Professor Holliday or to those supporting his enquiry, or that staff serving in the Department at that time were aware of the existence of the correspondence. The search of archive records is still in progress.

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food what restrictions his Department has placed on public access at the Public Record Office to information contained in correspondence dated between October 1953 and June 1954 relating to the disposal of nuclear waste in Beaufort's Dyke; and on what precise dates correspondence on this subject dating from June 1954 to October 1954 could have been disclosed. [7193]

Mr. Rooker: The documents to which I referred in my written reply on 1 July 1997, *Official Report*, columns *158–60*, were contained in a file which was closed in 1960 and sent to the Public Record Office in July 1977. Under the 30-year rule, the file was made available to the public there in January 1991.

Agri-environment Schemes

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if he will make it his policy to provide financial support for the Weald Meadows Initiative. [7596]

Mr. Morley: The restoration and enhancement of species-rich grassland and other features within the High Weald, including the Weald Meadows Initiative area, have been identified as a priority under the Countryside Stewardship scheme.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the importance of maintaining rare plants within the Sussex Weald; and what action he is taking to this end. [7597]

Mr. Morley: The Sussex Weald is one of the target areas identified under the Countryside Stewardship scheme. These are areas which are identified as priorities in consultation with local environmental organisations and for which applications under the scheme are encouraged. Targeting statements are reviewed annually and are made available to applicants with the scheme literature. In the High Weald target area statement the restoration and improvement of species-rich grassland is listed as a high priority.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what factors underlay his decision not to allocate funding to the Weald Meadows Initiative. [7598]

Mr. Rooker: An application under the Marketing Development Scheme, for grant to match-fund the cost of a products co-ordinator and marketing campaign for the Weald Meadows Initiative, was made in October 1996. This faced strong competition for the limited funds available and, although the proposal had merit, other projects better satisfied the key scheme criterion of demonstrating a significant marketing development.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what plans he has to increase payments for undersowing in environmentally sensitive areas. [7608]

Mr. Morley: The South Downs environmentally sensitive area was received last year, and new options were introduced for the management of arable land to benefit wildlife, particularly farmland birds such as finches, buntings and partridges. A payment of £110 per hectare is offered for leaving winter stubbles uncultivated until 30 November, and then sowing a spring cereal crop which is undersown with a grass and clover seed mixture. Applications for this option have been received for about 160 hectares of land. The payment rate is currently under review, and the outcome will be announced early in 1998.

Horn Products

Mr. Collins: To ask the Minister of Agriculture, Fisheries and Food what restrictions upon the import and export of horns and horn products have been imposed as a result of the BSE crisis; what additional restrictions are proposed; and if he will make a statement. [7941]

Mr. Rooker: Under the Heads of Sheep and Goats Order, 1996, the heads (excluding the tongue) of sheep and goats of any age other than those born, reared and slaughtered in Australia and New Zealand must be disposed of as specified waste material. This would include the horns if still attached to the head. However, horns themselves are not considered to be a risk provided they are removed without breaking into the cranial cavity in order to ensure that there is no risk of contamination with brain material.

The Specified Bovine Material Order 1997, applies to cattle which have died or been slaughtered in the United Kingdom. It requires the removal and disposal of specified tissues (defined as the whole head excluding the tongue, spleen and tonsils of all animals over six months of age and intestines and thymus of animals of all ages).

The export ban introduced by the EU in March 1996 applies to live bovine animals, bovine semen and embryos, mammalian meat and bone meal, products obtained from bovine animals that are liable to enter the animal or human food chains and materials destined for use in cosmetics or medical or pharmaceutical products. The ban, therefore, includes bovine horns for those purposes but not for other purposes, such as ornamental sticks or shepherd's crooks, which can be manufactured in the UK and traded.

Food Safety

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food what is his policy on the elimination of genetically modified organisms from the food chain. [8038]

Mr. Rooker: All genetically modified organisms currently in the food chain have been approved on safety grounds following a thorough scientific assessment. I cannot therefore see any reason for preventing their use.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food when he expects to lay proposals for a food standards agency before Parliament. [8039]

Mr. Rooker: We intend to publish a White Paper setting out our proposals or a food standards agency in the autumn, and to consult on a draft Bill early in 1998. The legislation will be laid before Parliament as soon as parliamentary time permits.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food what is his Department's specific policy on risk avoidance in food safety matters. [8042]

Mr. Rooker: Risks to the consumer can arise in many different points in the food chain and the Ministry ensures that a comprehensive system of controls and monitoring exists to cover the production of food raw materials, the manufacture of food and its handling and preparation. This combination of controls services to ensure that risks from food are kept to a reasonable minimum. In addition, the Ministry has developed an extensive programme of publicity and advice on food safety issues including food hygiene and nutrition.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food how the release of genetically modified organisms into the food chain will be controlled by the proposed food standards agency. [8043]

Mr. Rooker: It is too early yet to say how the food standards agency might deal with genetically modified organisms for use in food. However it is anticipated that it will take over responsibility for the operation of the EC

novel foods and novel food ingredients regulation (258/97) and the running of the independent Advisory Committee on Novel Foods and Processes whose job it is to provide safety assessments for these materials.

Banana Quotas

Mr. Paice: To ask the Minister of Agriculture, Fisheries and Food when he expects the Commission to respond to Belize's request for a larger banana quota within the European Union regime; and if he will make a statement on the Government's policy toward the transfer of Banana Licence tonnage between members of the Caribbean Banana Association. [8158]

Mr. Rooker: The European Union banana regime sets a specific quota for Belize of 40,000 tonnes. The Government have always recognised that this is insufficient to cover the increases in production already in the pipeline in 1992 and, as a result of pressure from the UK, an additional quota of 15,000 tonnes was reserved for Belize within the tariff quota for third country and non-traditional ACP bananas in December 1994.

The Commission made a proposal in 1995 which would allow transfers of unused quotas between Caribbean producers but the Council has yet to agree to it. The UK has always supported this proposal. The current WTO dispute could have implications for both of these issues.

Mr. Paice: To ask the Minister of Agriculture, Fisheries and Food when he expects a resolution of the appeal by the European Union against the WTO decision regarding the European Union banana regime. [8159]

Mr. Rooker: The ruling by the WTO appellate body on the dispute over the European Union banana regime is expected in September and will be adopted by the dispute settlement body within 30 days following circulation of the report to WTO members.

Genetically Modified Soya Beans

Ms Gisela Stuart: To ask the Minister of Agriculture, Fisheries and Food what is his Department's policy towards the importing of genetically modified soya beans from the USA. [8482]

Mr. Rooker: The use of these beans in Europe have been approved on safety grounds following a thorough scientific assessment. There is therefore no reason to restrict their import. Under World Trade Organisation rules it is not possible for Governments to demand the segregation of genetically modified (GM) crops which have been approved as safe. However, we will be pressing at a European level for all foods which may contain GM ingredients to be labelled to indicate this even where, as in the case of these soya beans, segregation has not taken place.

Written Answers to Questions

Tuesday 15 July 1997

FOREIGN AND COMMONWEALTH AFFAIRS

Israel

Mr. Garnier: To ask the Secretary of State for Foreign and Commonwealth Affairs when he last discussed the case of Mordechai Vanunu with the Foreign Minister of Israel; when he next plans to discuss this case with the Foreign Minister of Israel; and if he will make a statement on the Government's policy with regard to the conviction and imprisonment of Mordechai Vanunu. [6311]

Mr. Fatchett *[holding answer 1 July 1997]:* I have not yet had the opportunity to meet the Foreign Minister of Israel, and there is no meeting planned in the immediate future.

We have no formal standing to intervene in this case as there is no evidence of any illegality prior to Mr. Vanunu's departure from the United Kingdom. However, we do take opportunities to raise with the Israeli authorities the matter of Vanunu's solitary confinement: this was done most recently on 1 July, with the Israeli Ambassador.

Amsterdam Treaty

Mr. Mitchell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 7 July, *Official Report*, column *330*, what rules of procedure governed the *(a)* Amsterdam summit and *(b)* preceding IGCs in the last five years; what rules of procedure govern other international Heads of Government meetings attended by the United Kingdom; and if he will make a statement. [8536]

Mr. Doug Henderson: Intergovernmental Conferences to consider amendments to the treaties are governed by Article N of the Treaty on European Union (TEU) and are conducted by consensus. Beyond this, there are no formal rules of procedure for European Council meetings. It is for the incumbent Presidency to decide how to conduct summits.

Other international heads of government meetings, such as meetings of NATO and the Commonwealth, are similarly not governed by formal rules of procedure.

Gibraltar

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 7 July, *Official Report*, column *1331*, on briefing the Chief Minister of Gibraltar, if he will make it his policy to consult the Gibraltar Government before matters of interest to Gibraltar are considered in any European Council. [8754]

Mr. Doug Henderson: It is already the policy of Her Majesty's Government to consult the Government of Gibraltar on issues of interest to Gibraltar in the EU.

PRIME MINISTER

Budget

Mr. Peter Bottomley: To ask the Prime Minister if a Minister authorised confirmation of any details of the Budget to the media in advance of the Chancellor's Budget statement. [8871]

The Prime Minister: I have nothing further to add to the replies that I gave to the right hon. Member for Richmond, Yorks (Mr. Hague) on 2 July, *Official Report*, columns 288–89.

LORD CHANCELLOR'S DEPARTMENT

"Mental Incapacity"

Mr. Berry: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has for further consultation on the recommendations of the Law Commission's report "Mental Incapacity" (Law Com. No. 231); and over what period. [8696]

Mr. Hoon: The Government recognises the importance of clarifying the law in this area to provide a clear framework for those involved in making decisions on behalf of incapacitated adults and to ensure that the welfare and interests of the incapacitated person are adequately protected. It is hoped that progress will be made on the subject at an early opportunity.

Asylum Seekers

Mr. Baker: To ask the Parliamentary Secretary, Lord Chancellor's Department what changes he plans to make to the qualifying criteria for legal aid as it affects asylum seekers. [8706]

Mr. Hoon: Sir Peter Middleton is currently reviewing all aspects of the provision of legal aid. He will produce a preliminary report in September. It would be premature to comment further. The Legal Aid Board is reviewing how the existing test is applied in practice, to make sure that legal aid reaches those, but only those, whose cases merit it.

HOME DEPARTMENT

Hendon Police Station

Mr. Dismore: To ask the Secretary of State for the Home Department what representations he has received concerning the closure of Hendon police station; and if he will make a statement. [7546]

Mr. Michael: I have received no representations concerning the closure of Hendon police station. I understand that as long ago as 1992, the Metropolitan Police's building strategy identified the need for a new police station in the London Borough of Barnet and a new Area Headquarters for 2 Area. The investment of an

£8.8 million new building was based on relinquishment of other now redundant police buildings, leading to a review of policing strategy and tactics in the Borough. The findings were published as "Policing Barnet 2000", which included recommendations to amalgamate the Golders Green and West Hendon Divisions and to close Hendon police station due to its age, running costs and usage.

I understand that the closure of Hendon police station has been set for 15 October. Colindale police station, which replaces Hendon and is a charging station as well as being the new 2 Area Headquarters, opened on 10 March.

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for the Home Department on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8089]

Mr. Straw: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when hon. Members are meeting Ministers or others on topics in which they have an interest, the onus is on the hon. Member to declare that interest not the Minister to know (paragraph 63 of Cm 2850). It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests. Should evidence of non-declaration emerge, or contravention of the Resolution of the House relating to delegations to Ministers, the matter would be brought to the attention of the Parliamentary Commissioner for Standards.

Mr. Campbell-Savours: To ask the Secretary of State for the Home Department if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8086]

Mr. Straw: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling hon. Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, hon. Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for the Home Department (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8087]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8088]

Mr. Straw: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn), on 2 June, *Official Report*, column 99, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. It is not practicable to distinguish particular groups as lobbyists, not least because some reputable and representative bodies themselves use the services of commercial lobbyists to advise them on government relations. Ministers are however always ready to provide information on meetings held with outside bodies.

Closed Circuit Television

Mr. Clappison: To ask the Secretary of State for the Home Department (1) if he will list the local authorities who applied for but failed to receive assistance for the installation of CCTV in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97; [7914]

(2) if he will list the local authorities who received assistance for the installation of CCTV in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [7915]

Mr. Michael: Closed circuit television (CCTV) Challenge Competitions have been held in 1994–95, 1996–97 and 1997–98. There was no competition in 1995–96 so I have given figures for the three years for which there have been competitions. In all three rounds, bids were invited from local partnerships. Bidding partnerships did not necessarily have local authority involvement. We are not able to identify bids which have local authority involvement but which have not been led by a local authority. There are some 760 bids which have not named a local authority as the lead partner. Numbers of successful and unsuccessful bids where a local authority was specified as the lead organisation are detailed in tables, copies of which have been placed in the Library.

Emergency Services (Identity Cards)

Ms Walley: To ask the Secretary of State for the Home Department what plans he has for those providing emergency services to carry identity cards in *(a)* Braille, and *(b)* large print; and if he will make a statement. [7909]

Mr. George Howarth: None. Whether and in what form members of the emergency services should carry identity cards are matters determined locally by the service concerned.

Raphael Rowe

Mr. Mullin: To ask the Secretary of State for the Home Department on what date the C3 department concluded its examination of the case of Raphael Rowe; what recommendation was made to the Home Secretary; what action he took; and if he will make a statement. [7858]

Mr. Michael: In accordance with the normal conventions, we do not have access to the papers of the previous Administration. The papers have now been transferred to the Criminal Cases Review Commission. It is being treated as a priority case, and we understand that the Commission are working towards taking a decision on it as soon as possible.

Smoke Detectors

Mr. Kidney: To ask to the Secretary of State for the Home Department if he will promote the adoption of schemes along the lines of the partnership in Stafford, between fire-rescue services, local councils and health visitors to fit and check smoke detectors in the homes of new-born babies. [7866]

Mr. George Howarth: We welcome the use of multi-agency projects to promote fire safety messages and will consider how far such schemes should be promoted nationally in the light of the pilot's success and the recommendations of the Community Fire Safety Task Force, which is due to report in the autumn.

Victim Support (Review)

Mr. Forth: To ask the Secretary of State for the Home Department if he will give for the Interdepartmental Review of Victim Support *(a)* the expected completion date and *(b)* the cost of conducting the review. [8231]

Mr. Michael: I assume that the Question is referring to the Interdepartmental Working Group on Vulnerable or Intimidated Witnesses. The Group aims to report to Ministers by the end of the year. The Group is chaired by the Home Office and includes officials from various Government Departments and agencies as well as representatives from the Association of Chief Police Officers, Victim Support and the Local Government Association, who will participate as part of their normal duties. The costs of the review will therefore be met from the running costs of the individual Departments and agencies involved. It is not possible to predict the costs of the review in advance.

Ticket Touts

Mr. Nigel Jones: To ask the Secretary of State for the Home Department what Government proposals exist to outlaw ticket touts for sporting events; and if he will make a statement. [7994]

Mr. Michael: Ticket touting for designated football matches is already outlawed. We are considering in consultation with the Department for National Heritage and the police whether there is a need to outlaw ticket touting for any other sporting events.

Immigration Rules

Mr. Stunell: To ask the Secretary of State for the Home Department what plans he has to alter the concessions for overseas domestic workers under the 1979 Immigration Rules; and if he will make a statement. [8526]

Mr. Mike O'Brien: I am examining in detail the operation of the concession for overseas domestic workers who accompany their employers to the United Kingdom.

Strip Searching

Dr. Lynne Jones: To ask the Secretary of State for the Home Department (1) what plans he has to introduce measures to record and monitor the incidence of strip searching in prisons other than for Category A prisoners; [8543]

(2) what assessment he has made of psychiatric research in respect of the trauma suffered by victims of strip searching; and what changes he plans to make to the Government's policy on strip searching as a result; [8545]

(3) what assessment he has made of the effectiveness of *(a)* rub-down searches, *(b)* metal detectors and *(c)* strip searches in the detection of drugs and explosives; [8544]

(4) what guidelines govern the strip searching of women *(a)* during pregnancy, *(b)* soon after giving birth, *(c)* during menstruation, and *(d)* after operations. [8542]

Ms Joyce Quin: Detailed guidance on searching is set out in the Prison Service Security Manual, although there are currently no specific guidelines on the searching of women during menstruation, pregnancy, after birth or after operations. A copy of the Manual is in the Library.

I have asked the Prison Service to review searching policy, with particular regard to strip searching. The review will consider the legal and policy framework and the need for revised procedures. The review team will take into account the usefulness of the current procedures; monitoring and statistical issues; relevant research; and whether the procedures should be different for women prisoners. I will announce the report's conclusions once it has been completed.

Handguns (Compensation)

Mr. William Ross: To ask the Secretary of State for the Home Department (1) what provision he has made for compensation in respect of handguns under the Firearms (Amendment) Act 1997 and the present Firearms (Amendment) Bill; and under which headings such sums appear in his estimates; [8727]

(2) what provision he has made in his estimates for compensation payable under the Firearms (Amendment) Act 1997 and the present Firearms (Amendment) Bill; and under which headings the sums appear. [8576]

Mr. Michael: The estimate for implementing the 1997 Act is about £135 million. This is made up of £50 million for the large calibre handguns that are surrendered, and £80 million for ancillary equipment. There will be administrative costs of up to £5 million.

The estimate for implementing the Firearms (Amendment) Bill is £31 million, of which £12 million will be for small-calibre pistols and £19 million for the cost of the ancillary equipment used with those pistols.

Blind and Partially Sighted Voters

Mr. Burstow: To ask the Secretary of State for the Home Department, pursuant to his answer of 9 July, *Official Report*, column *469*, on blind and partially sighted voters, what plans he has to hold further meetings with the *(a)* Royal National Institute for the Blind and

(b) other organisations representing blind and partially sighted people to discuss proposals to help blind and partially sighted voters to vote in person. [8573]

Mr. George Howarth: No further meetings have yet been scheduled, but my officials are always ready to meet the Royal National Institute for the Blind or any other organisation representing blind and partially sighted people to consider proposals to help them to vote in person.

Mr. Burstow: To ask the Secretary of State for the Home Department if his Department will undertake research to test the practical timetabling implications of Braille templates and large print ballot papers. [8574]

Mr. Howarth: This Department is ready to discuss any proposals from organisations representing blind and partially sighted voters and to consider the practical and timetabling implications for the use of braille and large print templates. As to large print ballot papers, I would refer the hon. Member to my reply of 9 July, *Official Report*, column *469*.

Police Discipline

Mr. Corbett: To ask the Secretary of State for the Home Department what plans he has to review the powers of chief constables to discipline members of the police force. [8588]

Mr. Michael: Work has been going on for some time to revise procedures for dealing with misconduct by police officers and to introduce for the first time procedures to deal with unsatisfactory performance. All the police staff associations have co-operated in the development of new procedures and we hope to complete work on outstanding issues shortly.

Channel Tunnel

Mr. Gale: To ask the Secretary of State for the Home Department how many French nationals holding French passports have been arrested by British police stationed at the French terminus of the Channel Tunnel Shuttle within the bi-national zone and returned to the United Kingdom, without extradition procedures, for questioning or charging. [8884]

Mr. Mike O'Brien: Since the opening of the Channel Tunnel system, Kent police advise that they have not arrested in Coquelles and escorted through the Tunnel to Cheriton any French national.

Mr. Gale: To ask the Secretary of State for the Home Department what review he has conducted, following the arrest by French police of Henry Tuson in June, of the procedures under the agreements permitting the French police to operate within the Channel Tunnel terminus at Cheriton and permitting British police to operate within the Channel Tunnel terminus at Sangatte; and what changes in procedures he is proposing. [8883]

Mr. O'Brien: We are not reviewing, nor do we propose to seek, changes to the bi-national Treaty and protocol arrangements by which French and United Kingdom police officers exercise their national police powers within the Channel Tunnel system. These arrangements are contained in the Treaty of Canterbury in force since 1987 and the Sangatte protocol in force since 1993. Similar arrangements apply to United Kingdom frontier controls in Coquelles.

Mr. Gale: To ask the Secretary of State for the Home Department how many United Kingdom nationals holding United Kingdom passports have been arrested by French police stationed at the English terminus of the Channel Tunnel Shuttle within the bi-national zone and returned to France, without extradition procedures, for questioning or charging. [8885]

Mr. O'Brien: In the time available, we have not been able to obtain a detailed response from the French authorities. We have written to them and will forward their reply.

INTERNATIONAL DEVELOPMENT

Iraq (Sanctions)

Mr. Dalyell: To ask the Secretary of State for International Development, pursuant to her oral statement of 1 July, *Official Report*, column *119*, what proposals she has to refine the sanctions instrument against Iraq; and what account she takes of the impact of sanctions against the people of the valleys of the Tigris and Euphrates in determining her sanctions policy. [8549]

Clare Short *[holding answer 14 July 1997]:* The UK co-sponsored SCR 986 (now renewed as SCR 1111) to help alleviate the suffering of the Iraqi people by allowing the Iraqi Government to export oil worth $2 billion mainly for the purchase of humanitarian supplies. The impact of sanctions was a major consideration for the UN when setting the level of Iraqi oil exports permitted under SCRs 986 and 1111.

More generally, I have asked my officials to consider the impact of sanctions regimes on poor people.

Indonesia

Mr. Goodlad: To ask the Secretary of State for International Development when she expects her Department to complete its review on the provision of aid to Indonesia. [7871]

Clare Short: I expect the review of the Aid and Trade Provision to be completed within a few months. In the meantime I shall not approve any new ATP projects in Indonesia.

Our existing support for sustainable forestry in Indonesia is likely to continue, with increased emphasis on benefits to poor people living in forest areas. We shall be looking for opportunities to support local non-government organisations in East Timor and if possible projects supporting Trade Unions in Indonesia. Other proposals will be considered on their merits.

DUCHY OF LANCASTER

Security Facilities Executive

Mr. Steinberg: To ask the Chancellor of the Duchy of Lancaster what targets he has set for the Security Facilities Executive. [9068]

Mr. Kilfoyle: I have set the following targets for SAFE for 1997–98:

(a) to achieve 100 per cent. cost recovery in accruals terms, excluding 0.5 per cent. restructuring costs;

(b) to achieve a Vote surplus of £0.2 million, excluding restructuring costs;

(c) to achieve sales of £20 million;

(d) to achieve a reduction in the unit costs of outputs of no less than 4 per cent. in real terms;

(e) to achieve a customer satisfaction rating of 92 per cent.;

(f) to reassess the timetable and produce a revised action plan for attaining Investors in People accreditation in 1999;

(g) to maintain accreditation to quality standard ISO 9000, and extend it to cover Common Services.

TREASURY

Youth Unemployment

Mr. Brady: To ask the Chancellor of the Exchequer by how much youth unemployment levels have changed in each of the last four years; and by how much he expects them to change in each of the next four years. [7253]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Graham Brady, dated 15 July 1997:

The Chancellor of the Exchequer has asked me to reply as Director of the Office for National Statistics to your recent question on how much youth unemployment levels have changed in each of the last four years, and by how much these are expected to change in each of the next four years.

The data you have requested for those under 25 years are shown in the attached table. ONS does not make forecasts of any of the labour market estimates data it produces.

Great Britain, not seasonally adjusted, thousands figures are shown for winter of each year (December to February)

	Level	*Change on year*
1992–93	867	—
1993–94	785	–82
1994–95	695	–90
1995–96	656	–39
1996–97	633	–23

Source:
Labour Force Survey.

Abortion

Mr. Gerrard: To ask the Chancellor of the Exchequer how many legal abortions were performed in 1995 *(a)* with Antiprogesterone and *(b)* without overnight stay on women resident in (i) each health region and (ii) each district health authority; and how many of these abortions involved NHS hospitals, NHS agency arrangements and other purchasers. [7402]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Neil Gerrard, dated 15 July 1997:

The Chancellor of the Exchequer has asked me to reply as Director of the Office for National Statistics to your recent question on abortions.

The attached tables provide the information you requested.

Legal abortions performed with (a) antiprogesterone, (b) without overnight stay, by type of purchaser, on women resident in England and Wales, health regions and health authorities, 1995

Place of usual residence		*With antiprogesterone*				*Without overnight stay*			
		Total	*NHS*	*NHS agency*	*Non-NHS*	*Total*	*NHS*	*NHS agency*	*Non-NHS*
England and Wales		7,668	6,649	203	816	127,558	71,683	20,320	35,555
England		6,983	5,979	202	802	122,879	68,607	19,966	34,306
Wales		685	670	1	14	4,679	3,076	354	1,249
Northern and Yorkshire		1,801	1,766	11	24	11,275	9,328	677	1,270
	Northumberland	276	276	0	0	290	270	3	17
	Sunderland	133	133	0	0	587	540	10	37
	North Durham	37	35	0	2	486	438	11	37
	South Durham	57	57	0	0	503	467	10	26
	Tees	554	552	0	2	544	510	8	26
	South of Tyne	13	13	0	0	626	578	10	38
	North Cumbria	279	279	0	0	355	341	0	14
	Newcastle and North Tyneside	20	18	0	2	1,057	1,010	17	30
	East Riding	140	139	0	1	1,106	934	27	145
	Grimsby and Scunthorpe	24	24	0	0	629	558	7	64
	North Yorkshire	38	36	1	1	1,158	892	106	160
	Bradford	25	22	1	2	857	655	57	145
	West Yorkshire	30	27	2	1	1,115	709	187	219
	Leeds	158	145	5	8	1,527	1,197	126	204
	Wakefield	17	10	2	5	435	229	98	108
Trent		913	888	2	23	9,233	7,613	115	1,505
	North Derbyshire	188	188	0	0	573	452	17	104
	Southern Derbyshire	11	6	0	5	1,108	936	11	161
	Leicestershire	38	34	0	4	2,166	1,734	28	404
	Nottingham	4	1	0	3	1,348	1,172	8	168

Legal abortions performed with (a) antiprogesterone, (b) without overnight stay, by type of purchaser, on women resident in England and Wales, health regions and health authorities, 1995

Place of usual residence		With antiprogesterone				Without overnight stay			
		Total	NHS	NHS agency	Non-NHS	Total	NHS	NHS agency	Non-NHS
Trent *(Cont.)*	Barnsley	28	27	0	1	349	227	20	102
	Doncaster	10	8	0	2	664	579	5	80
	Rotherham	44	43	0	1	512	417	6	89
	Sheffield	420	416	1	3	971	783	14	174
	North Nottinghamshire	30	27	0	3	673	545	2	126
	Lincolnshire	140	138	1	1	869	768	4	97
Anglia and Oxford		1,443	1,358	9	76	10,554	7,012	1,238	2,304
	Cambridge	79	77	0	2	610	564	0	46
	North-west Anglia	8	3	0	5	663	535	21	107
	Huntingdon	6	3	0	3	280	250	1	29
	Suffolk	4	3	0	1	1,184	1,082	7	95
	East Norfolk	0	0	0	0	1,068	1,013	4	51
	Bedfordshire	144	127	2	15	1,300	950	120	230
	Berkshire	399	374	0	25	1,718	462	241	1,015
	Buckinghamshire	94	79	6	9	1,568	421	771	376
	Northamptonshire	239	229	1	9	1,171	852	67	252
	Oxfordshire	470	463	0	7	992	883	6	103
North Thames		961	590	39	332	29,640	15,778	3,588	10,274
	North-west Hertfordshire	12	5	0	7	625	351	11	263
	South-west Hertfordshire	2	1	0	1	643	370	14	259
	Barnet	18	2	1	15	1,332	769	55	508
	Hillingdon	9	4	0	5	767	353	151	263
	East and North Hertfordshire	28	14	0	14	1,085	676	6	403
	Brent and Harrow	38	8	9	21	2,799	51	1,765	983
	Ealing, Hammersmith and Hounslow	66	14	9	43	3,525	1,164	966	1,395
	Kensington, Chelsea and Westminster	286	241	1	44	2,508	1,503	42	963
	North Essex	22	9	0	13	1,781	1,266	3	512
	South Essex	182	168	1	13	1,597	1,061	5	531
	Barking and Havering	15	3	1	11	1,161	827	9	325
	Redbridge and Waltham Forest	38	11	0	27	1,984	881	31	1,072
	East London and The City	112	72	1	39	4,094	3,081	25	988
	New River	56	2	14	40	2,945	1,708	286	951
	Camden and Islington	77	36	2	39	2,794	1,717	219	858
South Thames		401	110	92	199	22,098	9,899	4,352	7,847
	Bromley	29	18	1	10	690	387	26	277
	East Sussex	37	10	1	26	1,871	872	123	876
	East Kent	67	64	1	2	1,038	633	108	297
	West Kent	21	4	3	14	2,226	542	1,022	662
	Bexley and Greenwich	15	3	2	10	1,352	808	86	458
	South-east London	142	2	79	61	5,625	2,460	1,564	1,601
	Croydon	10	1	0	9	1,419	350	548	521
	Merton, Sutton and Wandsworth	37	5	0	32	2,853	1,796	53	1,004
	Kingston and Richmond	5	1	0	4	938	536	11	391
	Western Surrey	13	1	4	8	1,547	278	601	668
	Eastern Surrey	8	1	0	7	970	564	36	370
	West Sussex	17	0	1	16	1,569	673	174	722
South and West		338	284	0	54	12,619	8,458	1,629	2,532
	Dorset	16	9	0	7	1,330	628	161	541
	Portsmouth and South-east Hampshire	8	0	0	8	1,325	1,168	26	131
	Southampton and South-west Hampshire	34	21	0	13	1,018	403	416	199
	North and Mid Hampshire	23	9	0	14	1,075	230	304	541
	Wiltshire and Bath	20	12	0	8	1,342	290	530	522
	Isle of Wight	1	0	0	1	179	112	27	40
	Bristol	122	122	0	0	1,464	1,193	47	224
	Cornwall and the Isles of Scilly	2	1	0	1	858	774	6	78
	Exeter and North Devon	22	22	0	0	789	759	0	30
	Plymouth and Torbay	1	1	0	0	1,212	1,155	6	51
	Gloucestershire	39	37	0	2	1,259	1,040	99	120
	Somerset	50	50	0	0	768	706	7	55
West Midlands		146	51	49	46	13,332	2,581	6,507	4,244
	Hertfordshire	4	2	0	2	262	198	4	60
	Worcester	3	1	0	2	573	106	269	198
	Shropshire	6	1	0	5	851	168	384	299
	North Staffordshire	1	1	0	0	877	645	8	224
	Coventry	27	1	24	2	1,129	7	1,078	44
	Dudley	2	0	0	2	684	6	382	296

Legal abortions performed with (a) antiprogesterone, (b) without overnight stay, by type of purchaser, on women resident in England and Wales, health regions and health authorities, 1995

Place of usual residence		With antiprogesterone				Without overnight stay			
		Total	NHS	NHS agency	Non-NHS	Total	NHS	NHS agency	Non-NHS
West Midlands *(Cont.)*	Sandwell	2	0	0	2	924	13	654	257
	Solihull	8	5	0	3	475	51	141	283
	Walsall	2	1	0	1	658	438	10	210
	Wolverhampton	2	2	0	0	816	19	353	444
	South Birmingham	9	1	0	8	1,250	17	757	476
	North Worcestershire	5	1	0	4	521	237	45	239
	South Staffordshire	22	20	0	2	1,221	605	65	551
	Warwickshire	23	1	18	4	1,293	29	1,182	82
	North Birmingham	30	14	7	9	1,798	42	1,175	581
North West		980	932	0	48	14,128	7,938	1,860	4,330
	North Cheshire	5	1	0	4	840	10	698	132
	South Cheshire	17	9	0	8	1,388	434	708	246
	Liverpool	161	155	0	6	1,417	1,091	12	314
	St. Helens and Knowsley	53	53	0	0	733	513	31	189
	Sefton	65	63	0	2	566	414	3	149
	Wirral	10	9	0	1	852	665	37	150
	Stockport	4	2	0	2	706	389	75	242
	North West Lancashire	1	1	0	0	850	59	158	633
	East Lancashire	181	177	0	4	954	817	2	135
	South Lanshire	15	13	0	2	544	334	1	209
	Wigan and Bolton	188	186	0	2	1,037	621	16	400
	Bury and Rochdale	51	47	0	4	694	453	2	239
	West Pennine	25	21	0	4	88.3	842	48.3	354
	Manchester	163	159	0	4	1,274	842	15	417
	Salford and Trafford	39	34	0	5	916	468	28	420
	Morecambe	2	2	0	0	474	345	28	101
Wales		685	670	1	14	4,679	3,076	354	1,249
	Clwyd	75	69	1	5	803	227	243	333
	Gwent	46	44	0	2	594	213	55	326
	Gwynedd	16	16	0	0	369	252	9	108
	Mid Glamorgan	96	93	0	3	784	551	27	206
	Powys	19	93	0	3	784	551	27	206
	South Glamorgan	199	195	0	4	694	469	12	213
	West Glamorgan	154	154	0	0	647	636	2	9
	Dyfed	80	80	0	0	616	587	1	28

Source:
Abortion Statistics, England and Wales, AB Series.

Unemployment (Gloucestershire)

Mr. Webb: To ask the Chancellor of the Exchequer (1) how many people aged 25 years or over have been unemployed for two years or more in *(a)* Northavon constituency and *(b)* South Gloucestershire unitary authority; and if he will make a statement; [7770]

(2) how many people aged 18 to 24 years have been unemployed for more than six months in *(a)* Northavon constituency and *(b)* South Gloucestershire unitary authority. [7769]

Mrs. Liddell *[holding answer 10 July 1997]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange a reply to be given.

Letter from Tim Holt to Mr. Steven Webb, dated 15 July 1997:

The Chancellor of the Exchequer has asked me as the Director of the Office for National Statistics to reply to your recent questions (7769 and 7700) on unemployment in the Northavon parliamentary constituency and South Gloucestershire unitary authority.

The measure of unemployment, derived from the quarterly Labour Force Survey (LFS), is defined on a consistent and internationally recognised basis set out by the International Labour Organisation (ILO) and counts as unemployed people who are: a) without a job; b) available to start work within the next two weeks and c) have either looked for work in the last four weeks or are waiting to start a job already obtained. However, largely because it is a sample survey, information is not available from the LFS in as much geographical detail as from the claimant count measure described below.

ONS also publishes the monthly claimant count, which is based on the administrative system and includes all people claiming unemployment-related benefits (i.e. Jobseekers Allowance, Income Support or National Insurance credits) at Employment Service offices on the day of the monthly count, who on that day had signed on as unemployed and available to do any suitable work. Essentially, all people who attend an Employment Service office to sign are counted, irrespective of whether they are actually receiving benefit.

The data you have requested can only be derived from the claimant count, as the labour force survey does not give details on duration of unemployment below county level.

The figures in the attached table are for April 1997, the latest date for which figures are available.

Numbers of claimants by age and duration, April 1997

	18 to 24-year-olds[1]	25-year-olds and over[2]
Northavon PCA	106	163
South Gloucestershire UA	272	554

[1] Unemployed for six months or more.
[2] Unemployed for two years or more.

Members' Interests

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8117]

Mrs. Liddell: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest not the Minister to know—para 63 of Cm 2850. It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests.

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8114]

Mrs. Liddell: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Mission Statement (MOD)

Mr. Keith Simpson: To ask the Chancellor of the Exchequer what consultations he has had with the Secretary of State for Defence over the Ministry of Defence's mission statement. [8189]

Mr. Darling: It has been the practice of successive governments not to discuss consultations between ministers on policy matters.

Bank of England

Mr. Forth: To ask the Chancellor of the Exchequer if he will give for the review of the Bank of England's financial arrangements *(a)* the expected completion date and *(b)* the cost of conducting the review. [8242]

Mrs. Liddell: The review is under way and will be completed as soon as possible. The Treasury's costs will be met from within running costs provision.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Chancellor of the Exchequer (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8115]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8116]

Mrs. Liddell: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn) on 2 June, column 99, Ministers and officials in the Treasury and the Chancellor's other Departments receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, a register of such meetings is not kept.

Unemployment (Warrington)

Helen Jones: To ask the Chancellor of the Exchequer what estimate he has made of the number of people in the Warrington, North constituency who are unemployed but not claiming benefit. [6662]

Mrs. Liddell *[holding answer 10 July 1997]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Helen Jones, dated 15 July 1997:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on unemployment in the Warrington North parliamentary constituency.

The measure of unemployment, derived from the quarterly Labour Force Survey (LFS), is defined on a consistent and internationally recognised basis set out by the International Labour Organisation (ILO) and counts as unemployed people who are: a) without a job; b) available to start work within the next two weeks and c) have either looked for work in the last four weeks or are waiting to start a job already obtained. However, largely because it is a sample survey, information is not available from the LFS in as much geographical detail as from the claimant count measure.

Information about those ILO unemployed who are not claiming unemployment related benefits is collected for the LFS. However, no such information is available below county level.

Life Expectancy

Mr. Blunt: To ask the Chancellor of the Exchequer what was the average life expectancy of a United Kingdom citizen on *(a)* 1 May 1979 and *(b)* 1 May 1997. [7677]

Mrs. Liddell *[holding answer 10 July 1997]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange a reply to be given.

Letter from Tim Holt to Mr. Crispin Blunt, dated 15 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics (ONS), to your recent parliamentary question on average life expectancy in the UK.

The expectation of life at birth in the United Kingdom, according to the mortality rates experienced in the year in question, are:

	1979	*[1]1995*
Males	70.0	74.0
Females	76.2	79.3

[1] Latest year for which data are available. Figures supplied by the Government Actuary's Department.

Ecofin

Ms Lawrence: To ask the Chancellor of the Exchequer if he will make a statement on the recent council meeting of the Economic and Finance Ministers of the European Union. [8408]

Mr. Gordon Brown: I represented the UK at the Economic and Finance Council—ECOFIN—of the European Union in Brussels on 7 July.

Most of the formal session was taken up by an open debate on Luxembourg's plans for work in ECOFIN during their Presidency of the EU. Key areas in the next six months include preparation for the Special Employment Summit, taking forward preparations for stage three of EMU and work on all financial aspects of enlargement of the Union and the Agenda 2000 dossier.

The series of "structured dialogues" with Ministers of the Central and Eastern European countries continued with a discussion of capital liberalisation and reform of the financial sector, both in formal session and over lunch. Ministers from the Czech Republic, the Slovak Republic and Poland outlined the progress their countries had made in these sectors. It was noted that, while progress had clearly been made, weaknesses remained and needed to be addressed. Hungary will host a seminar later this year to discuss further work.

The Council carried out an examination of Italy's convergence programme for the period 1998 to 2000. It acknowledged the progress made by Italy on inflation, interest rates and currency stability. It welcomed the commitment to reducing the fiscal deficit, while stressing the need to implement structural reforms so a low deficit could be sustained in the longer term. The Council also noted the need to reduce the high level of accumulated government debt.

The Council discussed informally a draft regulation on the technical specification for euro coins. No member state indicated disagreement with the substance of the regulation. I noted that the text had not yet cleared Parliamentary scrutiny.

The Council discussed informally the EC Budget for 1998. Formal discussions will take place at the Budget Council meeting on 24 July.

In further informal discussions, the Council agreed that ECOFIN should examine all issues related to Agenda 2000 and that the Presidency would propose that the meeting between Asian and EU Finance Ministers in September should include consideration of money laundering.

The Presidency informed the Council that a meeting between EU and EFTA Finance Ministers would take place over dinner on the eve of the 13 October ECOFIN.

Unemployment

Mrs. Gorman: To ask the Chancellor of the Exchequer what has been the annual change in unemployment for the under 25s for the past four years. [8213]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mrs. Teresa Gorman, dated 15 July 1997:

The Chancellor of the Exchequer has asked me to reply as Director of the Office for National Statistics to your recent question on how much youth unemployment levels have changed in each of the last four years.

The data you have requested for those under 25 years are shown in the attached table.

Great Britain, not seasonally adjusted, thousands figures are shown for winter of each year (December to February)

	Level	*Change on year*
1992–93	867	
1993–94	785	–82
1994–95	695	–90
1995–96	656	–39
1996–97	633	–23

Source:
Labour Force Survey.

General Government Consumption

Mr. Willetts: To ask the Chancellor of the Exchequer if he will list those years since 1974 when general Government consumption has fallen by 1 per cent. or more. [7890]

Mrs. Liddell *[holding answer 11 July 1997]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. David Willetts, dated 15 July 1997:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent question on general government consumption.

General government consumption, *at constant prices* has fallen by more than one per cent only in one year since 1974. This occurred in 1977.

Earnings

Mr. Fallon: To ask the Chancellor of the Exchequer (1) what estimate he has made of the number of employees earning *(a)* less than £3.50 an hour, *(b)* less than £4 an hour and *(c)* less than £4.50 an hour; [8287]

(2) what estimate he has made of the number of self-employed people earning *(a)* less than £3.50 an hour, *(b)* less than £4 an hour and *(c)* less than £4.50 an hour; [8288]

(3) what estimate he has made of the number of people employed in the agricultural, fishing and food industries earning *(a)* less than £3.50 an hour, *(b)* less than £4 an hour and *(c)* less than £4.50 an hour; [8283]

(4) what estimate he has made of the number of people employed by local authorities earning *(a)* less than £3.50 an hour, *(b)* less than £4 an hour and *(c)* less than £4.50 an hour; [8278]

(5) what estimate he has made of the number of people employed in the transport industries earning *(a)* less than £3.50 an hour, *(b)* less than £4 an hour and *(c)* less than £4.50 an hour; [8279]

(6) what estimate he has made of the number of people employed by charitable organisations earning less than *(a)* £3.50 an hour, *(b)* £4 an hour and *(c)* £4.50 an hour; [8280]

(7) what estimate he has made of the number of people employed in the retail sector earning less than *(a)* £3.50 an hour, *(b)* £4 an hour and *(c)* £4.50 an hour; [8282]

(8) what estimate he has made of the number of people employed in *(a)* manufacturing and *(b)* services, earning (i) less than £3.50 an hour, (ii) less than £4 an hour and (iii) less than £4.50 an hour. [8281]

Mrs. Liddell *[holding answer 11 July 1997]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Michael Fallon, dated 15 July 1997:

The Chancellor of the Exchequer has asked me to reply as the Director of the Office for National Statistics to your recent questions (8288, 8279, 8280, 8281, 8282, 8283, 8287 and 8288) regarding earnings.

The latest information, from the Labour Force Survey (LFS), is given in the attached table. Data for the self-employed are not available.

Employees of all rates including those whose pay for the survey pay-period was affected by absence, LFS (winter/December 1996–February 1997), Great Britain

	£3.50	*£4.00*	*£4.50*
All			
Whole economy (SIC 92 Sectors A–Q)	3,174	4,786	6,557
Agriculture (SIC 92 sectors A–B)	51	76	101
Manufacturing (SIC 92 sector D)	400	680	972
Retail (SIC 92 division 52)	703	1,094	1,427
Services (SIC 92 sectors G–Q)	2,612	3,880	5,269
Transport (SIC 92 divisions 60–63)	116	155	200
Charity, voluntary organisation or trust	60	91	130
Local Government[1]	192	371	585
Full-time			
Whole economy (SIC 92 sectors A–Q)	1,454	2,319	3,383
Agriculture (SIC 92 A–B)	45	60	84
Manufacturing (SIC 92 sector D)	292	524	779
Retail (SIC 92 division 52)	191	326	454
Services (SIC 92 sectors G–Q)	1,026	1,618	2,350
Transport (SIC 92 divisions 60–63)	86	119	155
Charity, Voluntary organisation or trust	19	31	44
Local Government[1]	47	80	163
Part-time			
Whole economy (SIC 92 Sectors A–Q)	1,720	2,467	3,174
Agriculture (SIC 92 A–B)	[2]—	16	18
Manufacturing (SIC 92 sector D)	108	155	192
Retail (SIC 92 division 52)	512	768	973
Services (SIC 92 sectors G–Q)	1,585	2,262	2,918
Transport (SIC 92 divisions 60–63)	29	35	45
Charity, voluntary organisation or trust	41	61	86
Local Government[1]	145	291	422

[1] Including police, fire services and locally controlled schools and colleges.
[2] Sample size too small to give a reliable estimate.
SIC 92—denotes Standard Industrial Classification of economic activities 1992.

Social Chapter

Mr. Timms: To ask the Chancellor of the Exchequer if he will make a statement about the financial impact on the United Kingdom of expenditure under the social chapter. [8921]

Mr. Gordon Brown: Article 2 of the Social Protocol says that financial consequences, other than administrative costs, of the Social Chapter shall not be applicable to the United Kingdom of Great Britain and Northern Ireland. This exemption could be achieved by means of a rebate on the UK's contribution to the EU budget. The Government has decided, however, that pursuing such a rebate in future would be inconsistent with the agreement reached at the Amsterdam Council enabling the UK to participate in Council discussions under the Social Chapter. It has also decided not to seek reimbursement of its contribution to past budget years. The total claim which will be written off as a result of this decision—initially estimated at £1 million for budget years 1995 and 1996—will be reported in a note to the Consolidated Fund account.

CULTURE, MEDIA AND SPORT

Departmental Name Change

Mrs. Ballard: To ask the Secretary of State for Culture, Media and Sport what plans he has to rename the Department for National Heritage to reflect its role in supporting culture and sport. [7346]

Mr. Chris Smith: I refer the hon. Member to the reply given by my right hon. Friend the Prime Minister on 14 July 1997, columns *43–44*.

Guide to Safety at Sports Grounds

Mr. Burstow: To ask the Secretary of State for Culture, Media and Sport—what organisations of and representing disabled people were consulted by his Department before the publication of the Guide to Safety at Sports Grounds. [6978]

Mr. Banks *[holding answer 9 July 1997]:* My Department consulted the Centre for Accessible Environments on the revised Guide, along with many other organisations who have an interest in this area. These included the Departments for the Environment and Social Security, the sports governing bodies, and the local authority associations.

Football Stadia (Wheelchairs)

Mr. Burstow: To ask the Secretary of State for Culture, Media and Sport—for what reasons his Department has not implemented the Football Stadia Advisory Design Committee's recommendations concerning wheelchair spaces by *(a)* providing a definition of large stadia and *(b)* prescribing a formula in respect of the proportion of wheelchair spaces. [6967]

Mr. Banks *[holding answer 9 July 1997]:* The Football Stadia Advisory Design Committee's advice on wheelchair spaces was set out in their document "Designing for Spectators with Disabilities" which was published in 1992. The advice in the new Guide to Safety at Sports Grounds represents current good practice within sports ground safety but now defines what constitutes a large stadium and provides guidance on how many wheelchair spaces should be provided at sports grounds. This followed many lengthy arguments over the number of wheelchair places to be provided at major new

developments. The guidance should help ensure that adequate wheelchair access is provided at new stadia, and my Department will continue to monitor the situation.

Historic Ruins (Thefts)

Mr. Gordon Prentice: To ask the Secretary of State for Culture, Media and Sport what steps he is taking to prevent the theft of carved stone masonry and other architectural features from historic ruins with particular reference to monasteries. [7475]

Mr. Banks: It is a criminal offence to execute, or cause to be executed, works to a listed building without first obtaining listed building consent. This includes the theft of architectural features. The current penalty for conviction in a Magistrates' court is a fine of up to £20,000 or imprisonment for up to six months (or both), whilst on conviction in the Crown Court an unlimited fine or a prison sentence of up to two years (or both) may be imposed. In determining the amount of any fine, a magistrates' court or the Crown Court must have regard to any financial benefit which has accrued or may accrue from the offence.

Planning Policy Guidance Note 15: Planning and the Historic Environment recommends that owners of listed buildings take precautions to safeguard architectural and other valuable features, especially when historic buildings are vacant or being refurbished. This may include removal for safe and secure storage, and the keeping of adequate records and photographs to help police in the recovery of stolen items.

In the case of scheduled monuments, the prior written consent of my right hon. Friend the Secretary of State is required in respect of any works involving the removal of a scheduled monument or any part of it. Failure to obtain consent, or to comply with any conditions imposed when granting consent, can result in a statutory maximum fine in the Magistrates' court of £5,000.

BBC (Archives)

Mr. Godsiff: To ask the Secretary of State for Culture, Media and Sport (1) what discussions he has had with the BBC concerning changes in the financial resources available for the maintenance of the BBC archives; and if he will make a statement; [8120]

(2) if he will make a statement about the BBC's responsibilities under its Charter for the maintenance of its archives; and what arrangements he has for monitoring the BBC's fulfilment of those responsibilities. [8121]

Mr. Fisher: The obligations placed on the BBC in respect of its archives are set out in its Royal Charter and its Agreement with the Secretary of State. These include broad obligations to establish and maintain archives containing material relevant to the objects of the Corporation, and to make the archives available to the public with or without charge. The BBC's Information and Archives Department provides a full range of library and information services. Changes in arrangements for the delivery of these services within the BBC will not affect the BBC's archives or public access to them. While we have had no discussions with the BBC on this point, we are confident that it is continuing to maintain its archival responsibilities under the Royal Charter and Agreement.

Lottery Funding

Mr. Blizzard: To ask the Secretary of State for Culture, Media and Sport how much Lottery funding has been awarded to *(a)* opera music related projects and *(b)* jazz music related projects. [7855]

Mr. Fisher: To date, the following sums have been awarded:

(a) In the Arts Council of England's National Lottery Capital programme, 23 opera projects have been awarded in principle funds totalling £80,064,341.48 opera projects applying to the A4E Express programme have been awarded £208,000.

(b) In the Arts Council of England's National Lottery Capital programme, 12 jazz projects have been awarded in principle £824,351.115 jazz projects applying to the A4E Express programme have been awarded £509,000.

Shooting Competitions

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what consultation has taken place with sports governing bodies regarding banning of shooting competitions; and if he will make a statement. [7992]

Mr. Banks: The Home Office has lead responsibility for firearms legislation and has been in regular contact with the British Shooting Sports Council and other organisations. I understand there has been no formal consultation exercise with specific sports bodies. Under the Firearms (Amendment) Bill, small calibre pistols would become prohibited but special arrangements may be made by the relevant Secretary of State to permit shooting events using these pistols to take place in any future Commonwealth and Olympic Games held in Great Britain.

Sports Councils

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what proposals are in hand for the review of the sports councils; and if he will make a statement. [7993]

Mr. Banks: Further to my right hon. Friend's speech during the "Sport for All" debate on 27 June 1997, column 1061, I can confirm that he is currently considering a number of possible changes to the way in which the present sports council structures are working. A further announcement will be made in due course.

Museums and Galleries (Charges)

Mr. Forth: To ask the Secretary of State for Culture, Media and Sport, if he will list for the Review of Charges for National Museums and Galleries *(a)* the expected completion date and *(b)* the cost of conducting the review. [8239]

Mr. Fisher: We hope to be able to announce the proposals by the end of September.

We estimate that the costs incurred by the Department in carrying out the review of admission charges will be in the order of £13,000. This estimate does not include the costs of the research by Glasgow Caledonian University on the impact of admission charges, which has been commissioned by the Museums and Galleries Commission.

Arts Council Awards

Mr. Rowe: To ask the Secretary of State for Culture, Media and Sport, when he expects the Arts Council of England to announce its grant decisions under the Arts for Everyone main programme; how many applications for awards under this scheme have been received; what is the total amount requested; and what estimate he has made of the size of the awards which will be issued under this programme. [7875]

Mr. Fisher: The Arts for Everyone main scheme invites applications from established organisations for between £500 and £500,000 for new arts activities. There have been two rounds this year. 1,000 applications were received for the first round (closing date 31 March 1997), totalling some £150 million. Funding decisions will be made by the Arts Council of England in August 1997, with a planned public announcement of awards in the middle of September.

The second round (closing date 30 June 1997) received 700 applications seeking some £70 million. Funding decisions will be made by the Arts Council of England in November 1997.

I understand that the Arts Council consider there to have been good quality applications across the whole spectrum of artforms and types of organisation, and that the Council anticipates that grants will range in size from £1,000 to £500,000. Given the level of applications received however, the Council does not anticipate being able to meet all applications in this round.

Millennium Commission

Ms Roseanna Cunningham: To ask the Secretary of State for Culture, Media and Sport if he will list the names, designations and salaries of the Members of the Board of the Millennium Commission. [6127]

Mr. Chris Smith *[pursuant to his reply, 3 July 1997, c. 228]:* The table of Millennium Commissioners contained an error, the correct information is as follows:

Millennium Commission

Role	*Name*	*Start date of present term*	*Expiry date of present term*
Chairman	Rt. hon. Chris Smith MP	19 May 1997	31 December 2000
Member	Rt. hon. Michael Heseltine MP	23 May 1997	31 December 2000
Member	Rt. hon. David Clark MP	19 May 1997	31 December 2000
Member	Dr. Heather Couper	17 February 1994	31 December 2000
Member	The Earl of Dalkeith, DL	17 February 1994	31 December 2000
Member	Sir John Hall, Bt	17 February 1994	31 December 2000
Member	Mr. Simon Jenkins	17 February 1994	31 December 2000
Member	Ms Patricia Scotland	17 February 1994	31 December 2000
Member	The Lord Glentoran, CBE DL	17 February 1994	31 December 2000

EDUCATION AND EMPLOYMENT

Secondary Schools (East Sussex)

Sir Geoffrey Johnson Smith: To ask the Secretary of State for Education and Employment what is the average number of children in secondary school classes in East Sussex. [6983]

Mr. Byers: In January 1997 (provisional estimate), the average class size was 21.4 in one teacher classes in maintained secondary schools in the East Sussex Local Education Authority area.

Grant-maintained Schools

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment if he will make a statement on his plans to change the status of grant-maintained schools; and when he expects to implement such plans. [7479]

Mr. Byers: The White Paper "Excellence in Schools" sets out our plans for introducing a new framework of community, aided and foundation schools. The new framework will incorporate all LEA and grant-maintained schools. We intend to introduce legislation to implement these plans in the Autumn.

Child Care

Mr. Fitzpatrick: To ask the Secretary of State for Education and Employment what plans he has for the long-term funding of the trained child-carers taken on under the new deal for the unemployed. [8035]

Mr. Andrew Smith: We are committed to the production of a national childcare strategy, which will plan provision to match the requirements of the modern labour market and help parents, especially women, to balance family and working life. We are currently considering the content of such a strategy, and will make an announcement in due course.

Young unemployed people will be offered the opportunity to obtain training and work experience in childcare as part of the New Deal programme. We hope this will create a larger skilled workforce in childcare, which will help to improve the overall position on childcare provision.

New Deal

Mrs. Gorman: To ask the Secretary of State for Education and Employment what percentage of the New Deal's first year budget has been allocated to the provision of roadshows and regional conferences. [8204]

Mr. Andrew Smith: Some preliminary work has been undertaken to organise and deliver regional events.

It is not possible yet to say what proportion of the first year's budget is to be allocated to these events as the total budget for the delivery of the New Deal is still to be allocated.

Mrs. Gorman: To ask the Secretary of State for Education and Employment what is the total in direct payments each person will receive over their six month period on the New Deal under each of the options. [8211]

Mr. Smith: Under the option of a job with an employer, young people will be paid the wage offered by their employers for the jobs they are doing. Young people who take up a job with a voluntary sector employer or in our Environment Taskforce will receive an allowance equivalent to benefit and will remain entitled to passported benefits: in addition, they will receive a grant of up to £400 paid in instalments. Those young people who take up the option of full-time education and training for up to twelve months will also receive an allowance equivalent to benefit and remain entitled to passported benefits: they will also have access to a discretionary grant to help with travel and other costs.

Mrs. Gorman: To ask the Secretary of State for Education and Employment what is the estimated annual budget of the Advisory Task Force in the New Deal. [8206]

Mr. Smith: Members of the New Deal Advisory Task Force will be unpaid and will be supported by a small secretariat. The Task Force will be given the resources it needs to carry out the important role assigned to it in the Government's proposals for young and long-term unemployed people. It is not yet possible to estimate the annual budget.

Mr. Fitzpatrick: To ask the Secretary of State for Education and Employment (1) when the Government plans to extend the welfare to work assistance offered to the young and long-term unemployed and lone parents to those on incapacity benefit; [8034]

(2) what assistance whilst training and working will be given to those on incapacity benefit under the Government's New Deal proposals for the unemployed. [8036]

Mr. Smith: The Chancellor of the Exchequer announced in his budget speech on 2 July that the Government was to set aside an additional £195 million to help those who are disabled or on Incapacity Benefit who want training or work and for other measures.

As on Welfare to Work and the New Deal generally, the Departments for Education and Employment and Social Security will work closely together, to ensure this money is used effectively to encourage and enable disadvantaged disabled people to access new training and work opportunities.

We will make an announcement about the type of assistance to be provided as soon as possible.

Pupils (Bus Safety)

Mr. Oaten: To ask the Secretary of State for Education and Employment which laws govern the transporting of school pupils in a hired bus or coach. [7850]

Ms Estelle Morris: The main legislation in England governing the transport of school pupils in a hired bus or coach is:

Transport

the Public Passenger Vehicles Act 1981 (as amended by the Deregulation and Contracting Out Act 1994), the Transport Act 1985, the Road Traffic Act 1988, and regulations made under those Acts;

Health and Safety

the Health and Safety at Work etc. Act 1974 and the Management of Health and Safety at Work Regulations 1992;

Home to School Transport

the Education Act 1996 (section 509).

Mr. Oaten: To ask the Secretary of State for Education and Employment who is legally responsible for the safety of pupils carried on a bus or coach hired by a school. [8037]

Ms Morris: Schools and LEAs in England are responsible for ensuring that they use an appropriate bus or coach company. Operators of public service vehicles are legally responsible for ensuring passenger safety.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department as a result of the effect on his Department's budgets for 1997–98 and 1988–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8294]

Mr. Blunkett *[holding answer 14 July 1997]:* Along with all other Departments, my Department is reallocating spending within the Departmental ceiling as part of the Comprehensive Spending Review.

Mr. Bruce: To ask the Secretary of State for Education and Employment if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8293]

Mr. Blunkett *[holding answer 14 July 1997]:* The figures requested for my Department's spending plans within the Control Total are as follows: £13,141 million, £12,854 million, £13,343 million and £13,141 million.

In addition my Department will benefit from part of the Welfare to Work expenditure and the New Deal for Schools, which are outside the Control Total, and which were announced in the Budget.

Dearing Review

Mr. Bercow: To ask the Secretary of State for Education and Employment when he expects to issue the Government's response to the Dearing review of higher education. [8704]

Dr. Howells: My right hon. Friend expects to make an initial statement when the National Committee of Inquiry into Higher Education under Sir Ron Dearing reports very shortly. This will be followed by a fuller policy statement later in the year.

Students

Ms Hodge: To ask the Secretary of State for Education and Employment how many students there are in each institution funded by the Higher Education Funding Council on courses designated as *(a)* fee band 1, *(b)* fee band 2 and *(c)* fee band 3. [8594]

Dr. Howells: The information is set out in the following table.

Student numbers by fee band 1996–97

Institution	*Band 1*	*Band 2*	*Band 3*
England total	274,638	364,080	10,816
Anglia Polytechnic University	4,013	3,642	0
Aston University	1,866	1,518	0
University of Bath	1,558	2,326	0
Bath College of HE	664	898	0
University of Birmingham	4,957	5,669	658
Birkbeck College	16	5	0
Bishop Grosseteste College	66	50	0
Bolton Institute of HE	1,480	1,903	0
Bournemouth University	2,229	3,812	0
University of Bradford	2,031	3,239	0
Bretton Hall	87	1,322	0
University of Brighton	2,079	3,702	0
University of Bristol	3,236	3,965	698
Brunel University	2,510	3,998	0
Buckinghamshire College of HE	2,212	2,356	0
University of Cambridge	4,723	4,445	478
University of Central England	2,500	4,355	0
University of Central Lancashire	4,286	5,251	0
Central School of Speech and Drama	0	431	0
Canterbury Christ Church College	855	1,330	0
Cheltenham and Gloucester CHE	1,944	2,228	0
Chester College of HE	202	1,320	0
Chichester Institute of HE	759	867	0
City University	1,039	1,629	0
Coventry University	2,653	5,413	0
Cranfield University	42	288	0
Cumbria College of Art and Design	81	541	0
Dartington College of Arts	0	440	0
De Montfort University	4,359	8,451	0
University of Derby	3,345	3,723	0
University of Durham	3,563	3,556	0
University of East Anglia	3,264	1,544	0
University of East London	3,567	2,976	0
Edge Hill College of Higher Education	856	1,177	0
Institute of Education	0	0	0
University of Essex	2,370	1,054	0
University of Exeter	2,938	2,607	0
Falmouth College of Arts	114	789	0
Goldsmiths College	1,096	1,375	0
University of Greenwich	2,762	4,099	0
The College of Guidance Studies	0	0	0
Harper Adams Agricultural College	82	1,329	0
University of Hertfordshire	2,859	5,380	0
Homerton College, Cambridge	7	7	0
University of Huddersfield	2,682	3,959	0
University of Hull	3,552	2,099	0
Imperial College	608	2,809	322
Keele University	3,023	533	0
University of Kent at Canterbury	3,495	1,531	0
Kent Institute of Art and Design	0	1,359	0
King Alfred's College, Winchester	1,075	736	0
King's College London	2,283	3,136	434
Kingston University	3,067	4,519	0
Lancaster University	3,397	2,338	0
La Sainte Union College of Higher Education	654	437	0
University of Leeds	6,235	6,696	567
Leeds Metropolitan University	2,344	5,144	0
University of Leicester	3,294	2,167	371
University of Lincolnshire and Humberside	3,729	4,077	0
University of Liverpool	3,729	4,568	803
Liverpool Hope College	723	1,574	0
Liverpool John Moores University	3,314	6,079	0
University of London–Senate	423	0	0
Institute of Cancer Research	0	0	0
Charing Cross and Westminster Medical School	0	287	401
Royal Free Hospital School of Medicine	0	170	314
United Medical and Dental Schools	0	510	750
London Business School	0	0	0

Student numbers by fee band 1996–97

Institution	*Band 1*	*Band 2*	*Band 3*
London School of Economics and Political Science	1,682	53	0
London Guildhall University	3,775	2,112	0
London School of Hygiene and Tropical Medicine	0	0	0
The London Institute	75	5,260	0
Loughborough University	2,001	4,325	0
Loughborough College of Art and Design	0	693	0
University of Luton	3,168	4,066	5
University of Manchester	6,188	5,572	905
UMIST	867	2,637	0
Manchester Metropolitan University	5,750	8,249	0
Middlesex University	5,947	5,183	0
Nene College	2,656	3,249	0
University of Newcastle upon Tyne	3,567	4,506	576
Newman College	114	174	0
University of North London	3,722	3,329	0
North Riding College	489	574	0
Northern School of Contemporary Dance	0	159	0
University of Northumbria at Newcastle	3,547	5,441	0
Norwich School of Art and Design	0	624	0
University of Nottingham	3,416	4,673	382
Nottingham Trent University	5,236	8,300	0
Open University	0	0	0
School of Oriental and African Studies	1,100	5	0
University of Oxford	6,194	3,387	294
Oxford Brookes University	1,552	3,392	0
School of Pharmacy	0	281	0
University of Plymouth	3,658	7,892	0
University of Portsmouth	3,150	6,019	0
Queen Mary and Westfield College	2,084	2,330	698
Ravensbourne College	0	532	0
RCN Institute	0	66	0
University of Reading	2,681	3,254	0
College of Ripon and York St. John	986	1,084	0
Roehampton Institute	1,586	1,872	0
Rose Bruford College	0	433	0
Royal Academy of Music	0	276	0
Royal College of Art	0	0	0
Royal College of Music	0	328	0
Royal Holloway, University of London	2,120	1,738	0
Royal Northern College of Music	0	401	0
Royal Postgraduate Medical School	0	0	0
Royal Veterinary College	0	189	228
St. George's Hospital Medical School	0	296	465
College of St. Mark and St. John	467	573	0
St. Martin's College	621	776	0
St. Mary's College	607	763	0
University of Salford	2,432	6,723	0
University of Sheffield	4,273	5,632	532
Sheffield Hallam University	3,928	6,586	0
University of Southampton	3,185	4,578	383
Southampton Institute	3,574	5,215	0
South Bank University	2,251	4,278	0
Staffordshire University	3,783	5,683	0
University of Sunderland	2,844	5,257	0
Surrey Institute of Art and Design	102	2,077	0
University of Surrey	363	3,100	0
University of Sussex	2,975	2,610	0
University of Teesside	3,123	3,023	0
Thames Valley University	3,988	1,773	0
Trinity and All Saints	494	718	0
Trinity College of Music	0	312	0
University College London	2,750	3,769	552
UCL—Eastman Dental Institute	0	0	0
UCL—Institute of Neurology	0	0	0
University of Warwick	4,189	2,015	0
Westhill College	329	171	0
University of Westminster	2,861	4,013	0
Westminster College, Oxford	257	0	0

Student numbers by fee band 1996–97

Institution	*Band 1*	*Band 2*	*Band 3*
University of West of England, Bristol	3,949	6,389	0
Wimbledon School of Art	0	344	0
University of Wolverhampton	4,262	5,418	0
Worcester College of HE	1,037	984	0
Writtle College	0	756	0
Wye College, University of London	71	383	0
University of York	2,284	1,984	0
Askham Bryan College	54	121	0
Berkshire College of Art and Design	0	246	0
Bedford College	0	35	0
Birmingham College	561	1,337	0
Blackburn College	458	154	0
Blackpool and Fylde College	127	959	0
Bournemouth and Poole College of AD	0	566	0
Bracknell and Wokingham College	0	2	0
Bradford and Ilkley Community College	1,075	1,037	0
Brooklands Technical College	54	38	0
Carlisle College	99	0	0
Chesterfield College of Technology	76	13	0
Chichester College of Art, Science and Technology	0	27	0
City of Liverpool Community College	49	184	0
City College, Manchester	71	324	0
Cleveland College of Art and Design	0	356	0
Coalville Technical College	7	0	0
Cordwainers College	0	122	0
Coventry Technical College	0	93	0
Crawley College of Technology	37	21	0
Croydon College	364	317	0
Dewsbury College	50	228	0
Doncaster College	410	265	0
Farnborough College of Technology	475	771	0
Gloucester College of Art and Technology	0	109	0
Guildford College of FHE	132	113	0
Halton College of FE	46	150	0
Hammersmith and West London College	145	22	0
Harlow College	0	0	0
Havering College of FHE	0	132	0
Henley College	44	0	0
Herefordshire College of Art and Design	0	153	0
Herefordshire College of Technology	153	0	0
Highbury College, Portsmouth	145	0	0
Lackham College	0	25	0
Leeds College of Art and Design	0	256	0
Loughborough College	160	42	0
Mid-Kent College of HFE	214	309	0
NE Worcestershire College	40	242	0
New College Durham	423	226	0
Newcastle College	229	1,194	0
Newham College of FE	0	114	0
North East Surrey College of Technology	163	500	0
North Lincolnshire College	0	12	0
Northbrook College, Sussex	86	405	0
Northumberland College	0	40	0
The College of North West London	17	17	0
Oldham College of Technology	112	0	0
Peterborough Regional College	58	41	0
Rycotewood College	0	102	0
Salisbury College	0	158	0
Sandwell College of FHE	49	125	0
The Sheffield College	27	116	0
Solihull College	43	238	0
South Tyneside College of FE	0	15	0
Southport College	0	39	0
Sparsholt College, Hampshire	0	212	0
St. Helens College	223	235	0

Student numbers by fee band 1996–97

Institution	*Band 1*	*Band 2*	*Band 3*
Stockport College of FHE	382	406	0
Suffolk College of FHE	997	915	0
Swindon College	78	235	0
Thurrock College	0	0	0
Trowbridge College	0	17	0
Wakefield College	66	33	0
Walsall College of Technology	0	24	0
Warrington Collegiate Institute	350	548	0
West Thames College	112	0	0
Westminster College, London	208	0	0
Wigan and Leigh College	294	353	0
Wirral Metropolitan College	260	167	0
Worcester College of Technology	126	116	0
York College of FHE	85	117	0

Student numbers are full time undergraduates only receiving mandatory awards. Band 1 = classroom-based courses; Band 2 = laboratory and workshop-based courses; Band 3 = clinical elements of medical, dental and veterinary courses.

Student Governors

Mr. Don Foster: To ask the Secretary of State for Education and Employment what plans he has to change the arrangements concerning the numbers of student governors in institutions of further and higher education. [8792]

Dr. Howells: In respect of further education, governing bodies may include a student governor and we have no plans to end that arrangement.

We shall be considering what the National Committee of Inquiry into Higher Education has to say about student membership of institutions' governing bodies in its report which is expected shortly.

Education Funding

Ms Hodge: To ask the Secretary of State for Education and Employment how much is currently spent by his Department *(a)* by proportion of national income, *(b)* by proportion of total education spending, *(c)* by proportion of Government spending and *(d)* in cash terms on (1) higher education, (2) pre-school education and (3) primary education. [8700]

Mr. Byers: The figures requested are as follows and are estimated outturn for 1996–97, the latest year for which such figures are available:

(a) 2.0 per cent. (Source: FSBR 97 and PESA 97)

(b) 30.0 per cent. (Source: PESA 97)

(c) 5.0 per cent. (Source: PESA 97)

(d) (1) Expenditure on HE and student support: £6,343 million. (Source: DfEE Departmental Report 1997)

(2) Pre-school education expenditure in 1996–97 was £25.5 million which covered expenditure on the pilot schemes for nursery vouchers. (Source: DfEE Departmental Report 1997).

(3) It is not possible to separate central Government expenditure between primary and secondary schools. However, in addition to central Government expenditure local education authorities spent some £18.4 billion on recurrent education expenditure in 1996–97, of which expenditure on under 5s accounted for £1.4 billion and expenditure on primary schools accounted for £5.7 billion. (Source: DfEE Departmental Report 1997).

Disabilities

Ms Shipley: To ask the Secretary of State for Education and Employment what decision he has made on the future of the National Advisory Council on Employment of People with Disabilities; and if he will make a statement. [9138]

Mr. Alan Howarth: The Government is committed to introducing comprehensive and enforceable civil rights for disabled people against discrimination. Employment and training issues will form an important part of this. The National Advisory Council on Employment of People with Disabilities (NACEPD) has provided advice on matters concerning the employment and training of disabled people for a number of years and I want it to continue to do so whilst the Government develops its proposals for the future. I have, therefore, extended to 31 March 1998 NACEPD's term of office and am pleased that most members have been able to accept the extension of their appointments.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Water Companies

Mr. Bayley: To ask the Secretary of State for the Environment, Transport and the Regions what actions are being taken by the water companies and by the Government on the 10-point plan he announced at the recent water summit. [7543]

Mr. Prescott: Each water company has now responded in a generally positive and constructive way to our proposals for action. I have today placed copies of each company's response in the Libraries of the House, together with a short analysis of them prepared by my Department.

All water companies will now provide free supply pipe leakage detection and repair services to their household customers. Eight of the smaller companies have told me that they will limit the number of free repairs to any one service pipe. Two other of the smaller companies have decided to replace leaking supply pipes free of charge.

All companies are taking action to promote water efficiency. All tell me that they are making significant efforts in the provision of water saving devices. Most are actively distributing devices to reduce toilet flush volumes or else are making them available free on request. A very few companies have decided to conduct trials before committing themselves to widespread promotion; they should take very careful note of what the majority of companies have done and are doing. Most water companies already offer free water efficiency audits to household customers. The remainder are developing or evaluating the service they intend to offer and I want them to go firm very soon. All water companies confirmed that they have in place a wide variety of measures to encourage water efficient gardening. All companies see clear roles for the Environmental Task Force in promoting water efficiency.

In addition to the 14 companies which had already done so, eight companies have indicated to me that they are now prepared to conclude formal arrangements with the Director General of Water Services in respect of their compensation schemes for drought-related supply interruptions. I want to see these eight licence amendments made by October. I also want the six other companies which indicated that they are minded to accept licence amendments to resolve their reservations with the Director General and to have the amendment process agreed by the same time. That also applies to the one company which still declares itself unable to accept licence amendment. All companies have expressed a willingness to consider compensation payments if they have to issue advice to boil or refrain from using mains water for reasons within their control.

Those companies which have not already done so are now moving to agree with the Environment Agency a publicly-available drought contingency plan. I am pleased that the industry is united in taking this action in advance of our bringing forward legislation to make it a statutory requirement when Parliamentary time allows.

We asked companies to do more to explain to their customers their water supply performance targets and how well they are being met. Altogether, I believe that companies are taking appropriate action. But none should rest contented with their efforts.

I shall be looking for sustained commitment to all of these actions. So I shall be writing to all companies again in November, asking for an update on the various activities and initiatives they have described to me.

We have kept to our part of the plan. At its head was tough action by the Director General of Water Services on leakage. He wrote to all water companies on 22 May, setting out the process by which he will establish mandatory targets.

We said that we would make new water regulations which would include significantly tighter requirements for water efficiency. The proposed recommendations of the Government's Water Regulations Advisory Committee were published for consultation on 19 June. We also announced that we would be conducting two reviews. My right hon. Friend Michael Meacher announced on 25 June the launch of a review of the water charging system in England and Wales.

Today, we are launching the review of the water abstraction licensing system in England and Wales. A key aim will be to ensure that abstraction licensing and related processes provide full protection for the environment while enabling fair and flexible arrangements for meeting properly-managed demand for water resources. This review will be conducted jointly by my Department and the Welsh Office, in consultation with the Environment Agency and the Office of Water Services. My Department will be writing today to interested organisations, inviting their representations on a wide range of issues associated with water abstraction. A copy of this letter has also been placed in the Libraries of the House.

City Diesel

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the potential environmental benefits of City Diesel. [7444]

Angela Eagle: The Government is very interested in the opportunities offered by cleaner fuels, including ultra low sulphur diesels such as "City Diesel", particularly their potential to play a part in the improvement of urban air quality. My Department is currently sponsoring comparative trials of both cleaner conventional fuels and alternative fuels, including natural gas, liquefied petroleum gas and bio-diesel. "City Diesel" is included in the trials, which will provide an indication of both the emissions reduction potential of the fuels and of the practicability, reliability and driveability of vehicles which use them. The results of the trials will be published later this year.

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions on what occasions, *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8101]

Angela Eagle: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest and not the Minister to know.

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8098]

Angela Eagle: The First Report from the Committee on Standards in Public Life (Cm 2850) restated the requirement to declare any interests, both in the Register of Members' Interests and on other appropriate occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others. Their representations are viewed with their declared interests in mind.

Voluntary Sports Clubs

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions what Government proposals exist to harmonise rate relief for voluntary sports clubs in England and Wales; and if he will make a statement. [7990]

Mr. Raynsford: There is no disparity between the rate relief regimes in England and Wales. Non-profit making sports clubs in both countries are eligible for relief at the discretion of their billing authority. If relief is granted, 75 per cent. of the cost is borne by the Exchequer.

Single Regeneration Budget

Mr. Coaker: To ask the Secretary of State for the Environment, Transport and the Regions what is the timetable for SRB 4 bids; if he will make a statement on the criteria which will be used; and when the accompanying guidelines will be issued. [7923]

Angela Eagle: My hon. Friend the Minister for the Regions, Regeneration and Planning, in answer to a question from the Member for Scarborough and Whitby (Mr. Quinn) on 7 July 1997 *Official Report*, column *338*, announced the publication of supplementary guidance for Round 4 of the Single Regeneration Budget Challenge Fund. This guidance contains details of both the criteria which will be used to assess proposals and the revised timetable for submitting proposals. Copies of the guidance have been placed in the Library of the House. I have also arranged for my hon. Friend to be sent a copy of this guidance.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings; [8100]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings. [8099]

Angela Eagle: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn) on 2 June 1997, *Official Report*, column *99*, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups such as lobbyists, the Department cannot keep a register of such meetings.

Earth Summit

Mr. Maclean: To ask the Secretary of State for the Environment, Transport and the Regions if the Government supports the 1992 Rio Declaration; and if he will make a statement. [8128]

Angela Eagle: At the recent Special Session of the UN General Assembly, which reviewed progress since the Rio Earth Summit, the United Kingdom reaffirmed its commitment to all the agreements reached at Rio, including the Rio Declaration.

Judicial Reviews

Ms Hodge: To ask the Secretary of State for the Environment, Transport and the Regions on how many occasions since 1994–95 legislation has been introduced by the Department *(a)* to remove the effects of judicial review decisions and *(b)* to implement them. [7846]

Angela Eagle: No legislation has been introduced for either of those purposes since 1994–95 by my Department or by its predecessor Departments.

London Docklands Development Corporation

Mr. Fitzpatrick: To ask the Secretary of State for the Environment, Transport and the Regions what is the total expenditure by the LDDC from public funds on the preparation of derelict sites to build-ready standard for the private residential developer in the Isle of Dogs area. [8020]

Angela Eagle: Of the sites owned by the London Docklands Development Corporation in the Isle of Dogs area which have a residential use, the Corporation have spent £8.773 million since 1981 on a range of preparation works. Repairs and enhancements to River walls, River walkways and a pier account for just over half of that expenditure. These works have fed through into land values. Actual and forecast receipts from the subsequent sale of the sites to private developers total £19.916 million with the excess of income over expenditure invested by LDDC in regeneration programmes. Additionally, in two instances (Arnhem Wharf and Masthouse Terrace) where LDDC undertook preparation works, 62 per cent. and 49 per cent. respectively of the subsequent residential development has been for social housing; in a third instance (Maconochies Wharf) the development has been a self-build project.

Housing (Urban Sites)

Mr. Hunter: To ask the Secretary of State for the Environment, Transport and the Regions what proportion of new houses he proposes should be built on redeveloped urban sites. [8123]

Mr. Raynsford: The current target is to build half of all new homes on reused sites. The Green Paper on Household Growth last year sought views on an aspirational target of 60 per cent. We are considering all the responses received in helping us decide how the issues surrounding household growth, including this one, should be taken forward.

Policy Planning Guidance

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to review the Policy Planning Guidance Note 17 Sport and Recreation; and if he will make a statement. [7989]

Mr. Raynsford: My officials have received the final report of the research project on The Effectiveness of Planning Policy Guidance on Sport and Recreation last week. My department will now be considering the implications of the report's findings for the future of Planning Policy Guidance Note 17 on Sport and Recreation.

Contaminated Land

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions what assistance is available to local authorities to clean up contaminated land; and if he will make a statement. [7997]

Angela Eagle: I refer the hon. Member to the reply that I gave to the hon. Member for Liverpool, Riverside (Ms Ellman) on 12 June 1997, *Official Report*, columns, *519–20*.

Hedgerow Protection

Mr. Forth: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for the review of the new system of hedgerow protection *(a)* the expected completion date and *(b)* the cost of conducting the review. [8233]

Angela Eagle: The group, which has been set up to review how the Hedgerows Regulations 1997 might be strengthened, is expected to report its recommendations to Government by the end of December 1997. The cost of providing the secretariat to the group is estimated to be of the order of £10,000. It will be met from within existing Departmental resources.

Safer Cities Programme

Mr. Gunnell: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for the future of the safer cities programme. [7984]

Angela Eagle: Government funding for the remaining Safer Cities projects will end, as planned, by March 1998. The Safer Cities programme is part of the Single Regeneration Budget (SRB) and new crime prevention and community safety schemes can be included in bids for round 4 of the SRB Challenge Fund. Over 50 per cent. of the schemes successful in the first three rounds of the Challenge. Fund have had crime prevention as an objective. The Government regards crime prevention as a vital issue directly affecting quality of life.

Regional Development Agencies

Mr. Forth: To ask the Secretary of State for the Environment, Transport and the Regions if he will give for the review in respect of implementing plans for regional development agencies in England *(a)* the expected completion date and *(b)* the cost of conducting the review. [8256]

Angela Eagle: We have announced that legislation will be introduced in the Autumn to establish regional development agencies in England. On 11 June we began a consultation on the functions and organisation of regional development agencies. The closing date for responses is 5 September 1997. The consultation is being managed by staff in my Department and by the Government Officers in the Regions; the costs are being met from existing budgets.

Incineration Plants

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will make a statement on his policy on the use of incineration plants to change waste into energy; [7614]

(2) if he will make a statement on his policy in respect of the importation of waste for incineration in United Kingdom waste to energy incineration plants. [7615]

Angela Eagle *[holding answer 14 July 1997]:* The Government believes that the recovery of energy from waste, for example through incineration, can play an important part in sustainable waste management practices, as part of a general effort to move up the hierarchy of waste management options. It should, however, play its part within a wider context in which reduction, re-use and

recycling of waste are favoured. It is also essential that both new and existing incinerators meet stringent emissions standards to protect public health and the environment.

On the specific issue of the transfrontier shipment of waste, policy is set out in the United Kingdom Management Plan for Exports and Imports of Waste. Under the Plan, which is legally binding throughout the United Kingdom, imports of waste for genuine recovery operations are allowed, as long as they comply with the technical criteria set out in the Plan, and subject to the controls set out in Council Regulation (EEC) No.259/93 on the supervision and control of shipments of waste within, into and out of the European Community.

In the case of imports to a waste-to-energy incineration plant, the tests set out in the Plan which will be applied by the competent authority in coming to a decision as to whether the import is for genuine recovery or not are as follows:

(a) that the primary purpose of the facility is for the dual function of incinerating waste and generating energy, rather than the disposal of waste;

(b) that the calorific value of the waste input should be at least 11,000kJ/kg, calculated by reference to a representative sample of the waste; and

(c) that the heat generated/energy recovered must be used either by the operator himself or by third parties.

Competent authorities should also have regard to the nature of any contamination of the waste in the light of the guidance in the Plan.

These criteria are intended to limit opportunities for incorporating wastes into fuels without benefit to the calorific value or the burning characteristics of the waste, simply to avoid the costs of disposing of those wastes in the country where they are produced.

Sprinklers

Mr. Bercow: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to make compulsory the installation of sprinklers in factories, shops and warehouses; and if he will make a statement. [8510]

Mr. Raynsford: The relevant Statutory Building Regulation Requirement B3(3) states:

To inhibit the spread of fire within the building, it shall be sub-divided with fire resisting construction to an extent appropriate to the size and intended use of the building.

The Department gives guidance on how to comply with the requirement and in multi-storey retail and industrial buildings the guidance suggests that the floor area can be doubled if a sprinkler system is installed. In the case of multi-storey storage buildings the guidance suggests that the cubic capacity of the building can be doubled if a sprinkler system is installed. The Department is considering giving revised guidance on the use of sprinklers in relation to compartment size in single storey buildings.

M3

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions what is the road accident rate for the M3 between junctions 10 and 11 since it was opened. [7822]

Ms Glenda Jackson: Junction 10 to 11 is a relatively new junction on the M3 and only 2 years of accident data are available 1995–1996 with 1 and 6 accidents respectively). For small areas or short road lengths, longer time periods are required to ensure a robust estimate. Personal injury road accident data are published in 'Road Accidents Great Britain—The Casualty Report'. Data for 1996 are due to be published in August 1997 and a copy will be placed in the House of Commons Library.

Traffic estimates (the other component of accident rates) have not yet been robustly estimated for this junction.

Roads (PFI)

Mr. Nicholls: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the use of the Private Finance Initiative to build public roads. [7876]

Ms Glenda Jackson: The Government has conducted a review of PFI and we are taking measures to reinvigorate it. Private financing has been shown to offer value for money in the procurement of DBFO projects. Value for money would be critical to our consideration of any future projects taken forward under private financing arrangements.

Roads Programme

Mr. Forth: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will give for the strategic review of the trunk roads programme *(a)* the expected completion date and *(b)* the cost of conducting the review; [8253]

(2) if he will give for the review of roads *(a)* the expected completion date and *(b)* the cost of conducting the review. [8254]

Ms. Glenda Jackson: We have said that we will announce decisions on the accelerated part of the review this month and the conclusions of the main review next Spring. The review is being conducted by officials within their normal duties. We intend to meet costs from planned Departmental Running Costs.

Franchising Director

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to publish his Department's review into the Rail Franchising Director's Objectives, Instructions and Guidance; and if he will make a statement. [8538]

Ms. Glenda Jackson: The Government is currently reviewing the Franchising Director's Objectives, Instructions and Guidance and will make an announcement in due course.

British Railways Board

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions if he will list *(a)* the current acreage of land owned by the British Railways Board and *(b)* its current value. [8519]

Ms Glenda Jackson: At the beginning of this financial year the Board held some 906,000 square feet of freehold office accommodation. Total acreage of land is not readily available. The book value of the freehold properties held by the Board at that date was £155.62 million.

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each of the last three years the land disposed of by the British Railways Board, indicating the acreage involved and its value. [8520]

Ms Jackson: Several hundred freehold properties have been sold by the British Railways Board each year over the past three years. Total acreage and square footage is not readily available. Gross sales proceeds have been:

1994–95: £37.92 million

1995–96: £50.80 million

1996–97: £65.60 million

Rail Safety (Educational Visits)

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what steps he has taken to ensure the continuation of the scheme operated by the British Railways Board for train drivers to visit schools to alert children to the dangers of trespassing on railway lines. [8521]

Ms Glenda Jackson: Railtrack are continuing this scheme in conjunction with train operating companies and the British Transport Police.

Trespass and vandalism remain a serious problem on the railway. The Health and Safety Commission's Railway Industry Advisory Committee is setting up a Working Group to help develop a national strategy and action plan for this area.

Air Traffic Control Centre, Prestwick

Mrs. Osborne: To ask the Secretary of State for the Environment, Transport and the Regions when he expects building work to begin on the new Scottish air traffic control centre at Prestwick. [7089]

Ms Glenda Jackson: Sky Solutions consortium has been named by National Air Traffic Services Ltd. (NATS) as the preferred bidder for this contract, and negotiations are expected to continue for several months before a contract is signed. NATS will then be in a position to draw up a detailed timetable for the project.

Shadow Tolling

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions (1) what assessment he has made of shadow tolling as a way of funding road-building; [8222]

(2) what assessment he has made of shadow tolling as part of an integrated transport strategy; [8223]

(3) what assessment he has made of the potential consequences for local demand management and improvements in public transport of shadow tolling; and if he will make a statement; [8224]

(4) what assessment he has made of the potential environmental consequences of shadow tolling. [8225]

Ms Glenda Jackson: DBFO projects show that private financing with remuneration under shadow tolling arrangements can offer value for money. There is development work in hand to see whether it is possible to refine the shadow toll payment mechanism so that it is less dependent upon traffic related payments, placing greater emphasis on the safety of the road and the availability of lanes for traffic use. Other aspects of shadow tolling as a funding mechanism for road schemes will be considered further in the context of our comprehensive spending review and in the work to develop an integrated transport strategy.

London Bus Services

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions what information is available to London bus passengers in relation to standards of service requirements set out in contracts with operating companies. [8753]

Ms Glenda Jackson: London Transport Buses' commitment to its passengers is contained in "The London Bus Passenger's Charter" which is freely available to members of the public. Private bus operators are required to take steps to comply with the Charter.

TRADE AND INDUSTRY

Export Licences

Mrs. Clwyd: To ask the President of the Board of Trade if she will list the *(a)* number and *(b)* export licence categories of open individual export licences granted to Procurement Services International which are currently valid indicating how long each licence will be in operation. [3689]

Mrs. Roche: Procurement Services International has no current Open Individual Export Licences.

Mrs. Clwyd: To ask the President of the Board of Trade (1) if she will list the *(a)* amounts, *(b)* export licence category, *(c)* countries and (d) security forces of destination since 1988 of (i) general purpose machine guns, (ii) sub-machine guns and (iii) other automatic weapons; [3696]

(2) if she will list the number and categories of export licences granted to British companies since 1988 for the export of *(a)* general purpose machine guns, *(b)* sub-machine guns and *(c)* other automatic weapons. [3437]

Mrs. Roche: General purpose machine guns, sub-machine guns and other automatic weapons are controlled under categories ML1, ML2 or PL5018 of the Export of Goods (Control) Order. An initial search of records shows around 8,000 licences issued under these categories by the previous Government. Details could therefore be provided only at disproportionate cost.

Mrs. Clwyd: To ask the President of the Board of Trade if she will list the *(a)* number and *(b)* export licence categories of open general export licences granted to (i) Greys Defence Systems and (ii) Procurement Services International which are currently valid, indicating how long each licence will be in operation. [3694]

Mrs. Roche: Open General Export Licences, (OGELs) are not issued to specific exporters. They can be used by any exporter provided, in most cases, they register with my Department. There are currently 21 OGELs in force, for which registration is required for 14. Neither Greys Defence Systems nor Procurement Services International are registered to use any OGEL. OGELs remain in force until they are revoked.

Indonesia (Exports)

Mrs. Clwyd: To ask the President of the Board of Trade if she will list *(a)* the number and *(b)* the categories of export licences granted for the export of military, security, police surveillance systems to Indonesia since 1988, indicating the (i) type of equipment or systems, (ii) companies to whom the licences were granted and (iii) destination agency. [3620]

Mrs. Roche: To identify equipment in these broad categories would entail a significant computer and paper record search which could be done only at disproportionate cost.

Mrs. Clwyd: To ask the President of the Board of Trade if she will make a statement on the *(a)* number and *(b)* categories of export licences granted to Arte Systems Ltd. for the transfer of surveillance or communication systems and equipment to Indonesia since 1988. [3636]

Mrs. Roche: Readily available records, since 1991, show that no export licences for this equipment to Indonesia have been granted to Arte Systems Ltd. To search records for earlier years would involve disproportionate costs. Moreover the Grays Group Limited have confirmed in writing that no export licence applications have been made or licences granted to the company.

Mrs. Clwyd: To ask the President of the Board of Trade if she will list the licences granted for the export of 40mm grenade launchers to Indonesia since 1988. [3383]

Mrs. Roche: The export of 40mm grenade launchers are controlled under entry ML2 of the Export of Goods (Control) Order. To identify licences covering these specific goods, all licences assessed as coming under ML2 would need to be searched and this can be done only at disproportionate cost.

Mrs. Clwyd: To ask the President of the Board of Trade if she will list the *(a)* number and *(b)* categories of open (1) individual and (2) general export licences granted to (i) Procurement Services International and (ii) Greys Defence Systems since 1988 for the export of military security and police equipment or services to Indonesia indicating the equipment and services provided. [3692]

Mrs. Roche: Neither Procurement Services International nor Greys Defence Systems hold current Open Individual Export Licences, nor have we any record of these companies ever holding such licences.

Open General Export Licences (OGELs) are not issued to specific exporters. They can be used by any exporter provided, in most cases, they register as an OGEL user. There are four OGELs, which allow the export of certain goods controlled under the Military List (Schedule 1 of Part III of the Export of Goods (Control) Order 1994, as amended) to a wide range of destinations including Indonesia. Three of these OGELs require exporters to register if they are using them. Neither Greys Defence Systems or Procurement Services International are registered. The fourth OGEL allows licensable goods to be exported after prior importation into the UK for exhibition purposes. It could not therefore be used for UK origin exports.

Mrs. Clwyd: To ask the President of the Board of Trade if she will list the companies which are current applicants for export licences covering command, control, communication and information systems to Indonesia. [3434]

Mrs. Roche: There are no current export licence applications for command, control, communication and information systems to Indonesia.

Mrs. Clwyd: To ask the President of the Board of Trade if she will list *(a)* the licences granted for the export of System X to Indonesia, *(b)* which agency it was destined for and *(c)* the year in which it was exported. [3525]

Mrs. Roche: Although some advanced optional features of the System X telephone exchange remain licensable, the majority of System X systems were removed from export control in 1992. From readily available records, which date from 1991, no export licences have been granted for this equipment to Indonesia.

Mrs. Clwyd: To ask the President of the Board of Trade if she is minded to grant current export licence applications for the command, control, communication and information systems to Indonesia. [3435]

Mrs. Roche: There are currently no such applications. Should any applications for such goods be received in the future they would be considered in light of the outcome of the Government review of the criteria used in considering licence applications for the export of conventional weapons announced on 22 May.

Mrs. Clwyd: To ask the President of the Board of Trade what control she has over the transfer of *(a)* armoured vehicles and *(b)* armoured personnel carriers to (i) Indonesia and (ii) other countries from the GKN Defiance licensed production facility in the Phillippines. [3639]

Mrs. Roche: The control of exports from the Phillippines is a matter for the Phillippine Government. Any export of licensable goods from the UK to the Phillippines would be subject to UK export controls.

Mrs. Clwyd: To ask the President of the Board of Trade if she will list the (i) number of (ii) categories of open general export licences granted to *(a)* Greys Defence Systems and *(b)* Procurement Services International since 1988 for the export of military, security and police equipment or services to Indonesia; and if she will make a statement on the equipment and services provided. [3687]

Mrs. Roche: Open General Export Licences (OGELs) are not issued to specific exporters. They can be used by any exporter provided, in most cases, they register as an OGEL user. There are four OGELs, which allow the export of certain goods controlled under the Military List (Schedule 1 of Part III of the Export of Goods (Control) Order 1994, as amended) to a wide range of destinations including Indonesia. Three of these OGELs require exporters to register if they are using them. Neither Greys Defence Systems nor Procurement Services International are registered for any of these. The fourth OGEL allows licensable goods to be exported after prior importation into the UK for exhibition purposes. It could not therefore be used for UK origin exports.

Computers (Millennium Compliance)

Mr. Cotter: To ask the President of the Board of Trade what plans she has to assist small businesses which are adversely affected by *(a)* Government departments and *(b)* others failing ensure that their computer systems are millennium compliant. [5165]

Mrs. Roche: Within Government itself, Departments and Agencies are responsible for their own systems. The Central IT Unit, through its agency the Central Computer and Telecommunications Agency (CCTA) is supporting the public sector with a range of specific activities, including the publication of extensive guidance by CCTA. As part of that support, CITU and CCTA have identified a programme of action to ensure that Government's response to the year 2000 problem is co-ordinated and coherent. This involves each department is producing a detailed and costed plan by October to ensure that all their systems are modified and tested by January 1999.

Each private sector organisation is responsible for its own systems. The DTI is working closely with Taskforce 2000 to alert all businesses to the problem and encourage action.

If, despite these efforts, a computer failure in one organisation adversely affects another party, the normal legal remedies will be available.

Phthalates

Mr. Flynn: To ask the President of the Board of Trade (1) what representations she has received concerning the health risks posed by the release of phthalate from babies' teething rings; and if she will make a statement; [4487]

(2) what assessment she has made of the health risks posed by the release of phthalates from babies' teething rings; and if she will make a statement; [4488]

(3) what plans she has to introduce a ban on toys containing phthalates; and if she will make a statement; [4489]

(4) if she will list the EU countries which currently operate cautionary bans on certain plastic toys releasing phthalates when chewed; and is she will make a statement. [4490]

Mr. Griffiths *[holding answers 24 June 1997]:* I have received no representations concerning the health risks posed by the release of phthalates from either toys or teething rings. The Department of Health has advised that there are unlikely to be any health risks to children from phthalates in such products provided that exposure does not exceed the relevant Tolerable Daily Intakes (TDIs) for phthalates set by the EC Scientific Committee for Food. This advice takes account of all available information on the possible effects of phthalates, including recent studies concerning oestrogenic activity.

There is no ban on plastic toys containing phthalates applying in any of the European Union member states. I am aware, however, of some media reports about teething rings, containing phthalate plasticiser, which were removed from sales in Denmark, Spain, Greece and Italy. I am advised they were never on sale here. Trading standards departments in this country have been provided with full details of the products identified. The Danish Environmental Protection Agency (EPA) analysed 11 PVC products sold by a variety of companies in Denmark. Three of these products produced higher levels of a specific phthalate than expected on extraction by a test apparently developed by the Danish EPA. The remaining eight items examined released no, or very small, amounts of any phthalate and were considered to be acceptable by the Danish authorities. PVC teething rings as such have not been banned.

In view of this, I have no plan to introduce a ban on toys or teething rings containing phthalate chemicals. A note reviewing the background to this issue, prepared by officials in my Department and Department of Health together with scientists at the Laboratory of the Government Chemists, has been placed in the Library of the House.

Internet

Rev. Martin Smyth: To ask the President of the Board of Trade what discussions she has had with other Government and law enforcement agencies on the need to regulate illegal and harmful matter on the Internet; and if she will make a statement. [5868]

Mrs. Roche: My Department has worked in close co-operation with the Home Office, the Metropolitan Police, and Internet Service Providers (ISPs), to facilitate the development of a system for dealing with illegal content on the Internet, using existing law and the existing penalties. This framework is known as Internet Watch.

As a general rule, existing law applies to the Internet exactly as it does in the "physical" world. This means that ISPs have a clear liability for any illegal content which they host on their servers, but only once they have been made aware of it, and if they have then failed to take reasonable steps to remove it. Internet Watch offers ISPs a service, facilitating their compliance with existing law. An ISP who chose not to co-operate within the framework would risk prosecution and the full force of the criminal law. Internet Watch has already proved successful in bringing about the removal of illegal material, and in passing details to the police.

VAT (Fuel)

Mr. Heathcoat-Amory: To ask the President of the Board of Trade if she will estimate the effect on domestic energy consumption of a reduction in VAT on domestic fuel and power to 5 per cent. [6262]

Mr. Battle *[holding answer 1 July 1997]:* Since the announcement of this cut in the budget we have had the opportunity to fine tune the modelling of this VAT reduction. As a result, it is estimated that reducing VAT on domestic fuel will increase domestic sector energy consumption by around 0.7 per cent.

Gas-fired Power Generation

Mr. Todd: To ask the President of the Board of Trade if she will review the process of granting permission for new gas-fired power generation; and if she will make a statement. [7215]

Mr. Battle: We are currently considering a number of applications for consent for new power stations and will examine these on a case by case basis.

Bananas

Mr. Healey: To ask the President of the Board of Trade what action Her Majesty's Government have taken in support of the European Commission's appeal against the World Trade Organisation's ruling on the EU banana import regime; what is Her Majesty's Government's policy towards the import of bananas from the West Indies to Europe; what assessment he has made of the impact of United Kingdom policy on the Caribbean banana industry; and if he will make a statement. [7476]

Mrs. Roche: The UK has supported the European Commission's robust defence of the EU banana regime in the World Trade Organisation. We are continuing that support during the appeal to the Appellate Body. The EU policy of offering preferential access for bananas from the West Indies and other traditional ACP suppliers is one that the UK supports. The Government is well aware of the importance to the West Indies of continuing access, given the dependence of their economies on banana exports.

EU Low Voltage Directive

Fiona Mactaggart: To ask the President of the Board of Trade (1) what instructions she plans to give to the United Kingdom representatives at the European Commission meeting on 8 July to discuss guidelines for implementation of the low voltage directive; and if she will make a statement; [7163]

(2) what consultations she plans to have with industry about changing the scope of the low voltage directive; [7164]

(3) what factors underlay her Department's decision in 1995 that cable management products should not remain within the scope of the low voltage directive; and if she has plans to review this decision. [7165]

Mr. Battle: My officials sought to establish a clear understanding of the position on the guidance on issues such as the application of the Directive to cable management products, components and the CE marking requirements.

The scope of the Directive has not changed since its adoption in 1973 and I have no plans to consult on this particular issue. However, the Department's Standards and Technical Regulations Directorate recently consulted with interested parties and met with industry representatives, on a draft European Commission guidance document about the Low Voltage Directive.

The Department also plans a further meeting with industry representatives to discuss the proposed Commission guidance at the earliest mutually convenient time.

Although the Directive was adopted in 1973, it was only after the adoption of the CE Marking Directive in 1993, that an approach was first made to the Department by a manufacturer of plastic conduit, for an opinion as to whether the Directive covered such items.

Cable management products, such as plastic conduit, will fall within the scope of the Low Voltage Directive only if they are items of electrical equipment as described within the meaning of Article 2 of the Directive. In order to answer the enquiry a detailed analysis was undertaken by my Department to clarify the meaning of electrical equipment. As the Directive does not define what is meant by electrical equipment it is necessary to base this on the ordinary English language usage of the term in the context in which it appears in the Directive. The natural meaning of these words and hence the scope of the Directive, implies a product which operates between the voltage limits set, is not an electrically passive product and has the potential to generate electrical, mechanical, thermal or other hazards, all arising from its electrical, nature which must be protected against, as required by Article 2 of the Directive.

At a meeting of member States on 8 and 9 July to discuss a proposed European Commission guidance document on the Directive, the European Commission requested that the Department review its position. My officials are presently carrying out a further review and I hope that a mutually acceptable form of wording can be found for inclusion in the guidance.

Trade Fair Support

Mrs. Gillan: To ask the President of the Board of Trade if she will place in the Library copies of her letter to potential sponsors of trade fair seminar support programmes. [7679]

Mrs. Roche *[holding answer 10 July 1997]:* Officials wrote to potential sponsors and a copy will be placed in the Library of the House.

Mrs. Gillan: To ask the President of the Board of Trade if she will list the sample companies exhibiting overseas with a DTI supported group in the last two years who have been sent the Support for Overseas Trade Fairs and Seminars consultation document. [8145]

Mrs. Roche *[holding answer 11 July 1997]:* A list of the sample of companies exhibiting overseas with a DTI supported group in the last two years, which have been sent a copy of the DTI's consultation paper "Support for Overseas Trade Fairs and Seminars—The Way Forward" is being placed in the Libraries of both Houses.

To enable the paper to reach as many exporters as possible it has also been sent to a wide range of business intermediary organisations and has been publicised so that as many organisations, firms, or individuals wishing to participate in the consultation can do so.

International Nuclear Safety Convention

Mr. Forth: To ask the President of the Board of Trade if she will give for the review of international obligations under the International Nuclear Safety convention *(a)* the expected completion date and *(b)* the cost of conducting the review. [8248]

Mr. Battle: The United Kingdom's report on its implementation of obligations under the Convention on Nuclear Safety will be submitted to the Convention's Secretariat by 29 September 1998, in accordance with the Rules of Procedure for the Convention. This report and those of all other Contracting Parties to the Convention will be reviewed at a meeting at the International Atomic Energy Agency (IAEA) starting in Vienna on 12 April 1999 and expected to last two to three weeks. At this early stage, costs of conducting the review are unclear.

Royal Greenwich Observatory

Mr. Lansley: To ask the President of the Board of Trade if she will provide a detailed breakdown of the savings expected to be made as a result of the closure of the Royal Greenwich Observatory. [7588]

Mr. Battle *[holding answer 10 July 1997]:* The Particle Physics and Astronomy Research Council's proposals to restructure and co-locate its operations will lead to savings of at least £3 million per annum in salary costs full details are set out in Annex E of PPARC's report "The Future Management of the Royal Observatories", a copy of which is available in the Library of the House. In addition, approximately £1 million per annum savings will be made in overhead costs.

Mr. Lansley: To ask the President of the Board of Trade if she will estimate the market value of the Royal Greenwich Observatory at Cambridge. [7589]

Mr. Battle *[holding answer 10 July 1997]:* The value of the Particle Physics and Astronomy Research Council's assets is routinely recorded for accounting purposes but because of the uncertain effect of restrictions in the lease, a true market value for the RGO could be established only by a full market test.

Renewable Energy

Mr. Hunter: To ask the President of the Board of Trade if she will make a statement on the Government's policy for renewable energy; and what measures she proposes to take to increase the use of renewable energy. [8539]

Mr. Battle: I refer the hon. Member to the answer given to my hon. Friend the Member for Stoke-on-Trent, North (Ms Walley) on 10 June 1997, *Official Report*, column *417*.

Life Patent Directive

Mr. Mitchell: To ask the President of the Board of Trade when the draft Life Patent directive under consideration in the European Parliament was *(a)* published for consideration by the Council of Ministers and *(b)* considered by them; what recommendation they made on the directive, what consultations Her Majesty's Government have entered into with interested bodies in the United Kingdom; if the Government have signed the requisite Explanatory Memorandum; and what parliamentary scrutiny this directive will receive. [8505]

Mr. Battle: The Commission's proposal for a Directive on the legal protection of biotechnological inventions was published on 13 December 1995, and formally sent to the Council of Ministers on 25 January 1996. The Opinion of the European Parliament on the Commission's proposal is still awaited and to date consideration by the Council has taken place only at official level. No recommendation have emerged.

The Commission's proposal was circulated for comment in February 1996 to some 50 interest groups representing the professions, industry, consumers, trades unions, the research community, groups concerned with social and environmental impact of biotechnology, and including member organisations of the Standing Advisory Committee on Industrial Property, a body set up to advise Ministers on all aspects of industrial property.

An Explanatory Memorandum was submitted by this Department on 4 March 1996, and further Memoranda will be submitted as matters proceed before the Council.

Carbon Dioxide Emissions

Mr. Paice: To ask the President of the Board of Trade what assessment she has made of the calculation and forecasts for CO2 emissions contained in European Union document 8468/97 from the Secretary-General. [8160]

Mr. Battle *[holding answer 14 July 1997]:* I submitted an Explanatory Memorandum to Parliament on 9 July 1997 on the European Union document 8468/97, a copy of which is in the Library of both Houses. My officials have discussed the scenario for future carbon emissions with the European Commission and believe it fairly describes likely broad trends at European Union level.

Nuclear Power (Documents)

Mr. Baker: To ask the President of the Board of Trade, pursuant to her answer of 9 July 1997, *Official Report*, column *485*, what matters are dealt with in the 1952 Atomic Energy Board (minutes and papers); and if she will now transfer those documents to the Public Record Office for release for public inspection. [8708]

Mr. Battle: The 1952 Atomic Energy Board (minutes and papers) dealt with a variety of issues pertinent to the UK nuclear industry. As my hon. Friend the Minister for Competition and Consumer Affairs stated in his answer of 9 July, many of these records contained material of a sensitive nature and therefore, both IKAEA and MOD agreed at the last review of this file in 1996, that these papers should not be released at this time.

Mr. Baker: To ask the President of the Board of Trade what plans she has to increase accessibility to information held by *(a)* her Department and *(b)* the Atomic Energy Authority relating to nuclear power generation. [8709]

Mr. Battle: I attach considerable importance to freedom of information and am concerned to improve the level of information made available to the public. The Department of Trade and Industry already makes a significant amount of information about nuclear power generation available through publications such as the

Energy Report and the Digest of United Kingdom Energy Statistics. It will continue to explore ways of increasing access to this information both proactively and in response to specific requests. This is being reflected, for example, in the more forthcoming answers to Parliamentary Questions, on a range of nuclear issues, in the last two months.

The UK Atomic Energy Authority is publicly committed to a policy of frank and open communication of information wherever possible.

Mr. Baker: To ask the President of the Board of Trade what papers relating to the Windscale fire in 1957 are still held by her Department; and if she will now pass those to the Public Record Office for release for public inspection. [8707]

Mr. Battle: All known files relating to the Windscale fire are already in the Public Record Office. I am not aware of any other files held by the Department. The official UKAEA historian, Lorna Arnold has also written a book on the Windscale fire, "Windscale 1957—Anatomy of a Nuclear Accident" published 1992, which includes an exhaustive reference list.

BT (Special Share)

Ms Dari Taylor: To ask the President of the Board of Trade if the Government have clarified for British Telecom its position on the Special Share in advance of the company's annual general meeting of 16 July. [9069]

Mrs. Beckett: I have written to British Telecom stating that the Government is willing to redeem its Share. This decision was taken after careful consideration of the specific issues involved; it has no implications for other Special Shares where any decisions would have to take account of the different circumstances in each case.

Solar Power

Mr. Dafis: To ask the President of the Board of Trade and Industry how many homes in Britain are solar powered currently; and if he will set targets to increase this number. [7098]

Mr. Battle: There are currently four solar powered (photovoltaic) domestic housing schemes in the UK, comprising a total of 14 homes in the private sector. However, there are over 40,000 homes with active solar heating and many more with passive solar design features. The current cost of installing photovoltaic (PV) panels (1.5—3.0kWp) onto a domestic house is typically between £10,000 and £15,000 per property. PV electricity costs typically around 5—10 times more than conventionally generated electricity, depending on specific circumstances. However, the technology is developing rapidly, and with continually falling costs due to economies of scale, PV may become a strategically important electricity generating technology in the future.

I recently announced a review of policy on new and renewable energy, and the Government's support for the solar energy industry will be considered in that context.

SOCIAL SECURITY

Hospital Admissions (Waiting Costs)

Mr. Wicks: To ask the Secretary of State for Social Security what was the annual social security cost among those waiting for hospital admissions *(a)* in total and *(b)* broken down by benefit category in the last year for which figures are available. [8705]

Mr. Keith Bradley: No information is recorded about whether or not benefit recipients are waiting for hospital admission.

SERPS

Mr. Gale: To ask the Secretary of State for Social Security, pursuant to his oral statement of 9 July, *Official Report*, column 1037, if SERPS will continue and expand in line with demand from all those that wish to remain members of the scheme; and if he will make a statement. [8590]

Mr. Denham: The forthcoming Pensions Review will look at all aspects of pensions provision. We will retain SERPS for those who wish to remain members of it.

Mr. Gale: To ask the Secretary of State for Social Security, pursuant to his oral statement of 9 July, *Official Report*, column 1037, what firm proposals he has to enable pensioners to belong to a pension scheme that is flexible, secure, gives value for money and does not reduce people's savings if they become unemployed; what price formula he intends to use when increasing the basic state pension in line with prices; how long he expects his Department's wide ranging review of pensions to take; and if he will list the organisations that will be consulted. [8591]

Mr. Denham: The Government is committed to the development of stakeholder pensions, which will be good quality second pension schemes. They will allow those without access to occupational schemes to invest their contributions in a secure, flexible and value for money pension. A framework for stakeholder pensions will be developed in close consultation with potential pension providers and representatives of employers, employees and the self-employed. We will also build on the good quality second pensions that many employees enjoy by supporting the existing framework of occupational pensions.

My right hon. friend the Secretary of States, will shortly announce details of the Pensions Review, including when it will report.

As part of the review, we will engage in a process of wide ranging consultation. We will involve all key players, including employers, employees, the pensions industry, and pensioners' organisations. The Government will ensure that the views of pensioners are heard.

My right hon. Friend is required to review annually the value of Basic Retirement Pension to determine whether it has retained its value in relation to the general level of prices. The results of that review will be announced in due course. We will retain the Basic State Retirement Pension as the foundation of pension provision, increasing it as least in line with prices.

DEFENCE

Pay Deductions

Mr. Gordon Marsden: To ask the Secretary of State for Defence what factors underlie the length of delay between the deduction of maintenance money from serving personnel's wages and its subsequent payment to separated partners. [7714]

Dr. Reid: This is a matter for the Chief Executive of the Armed Forces Personnel Administration Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from C. G. Winsland to Mr. Gordon Marsden, dated 15 July 1997:

I am replying to your Question to the Secretary of State for Defence about the factors which may delay maintenance payments made by Service personnel as this matter falls within my responsibility as Chief Executive of the Armed Forces Personnel Administration Agency (AFPAA).

There are 3 general processes employed by the Agency to make maintenance payments from Servicemen's pay:

(a) Automatic credit transfer through the Bankers Automated Clearing System (BACS).

(b) Payable Orders in the form of a cheque, which are sent by post and are drawn against HMPMG account.

(c) Allotment or payment books which are pre-funded and against which credits are drawn on the due date.

In each case, the method of payment is dictated by the Child Support Agency (CSA), the Court, or the dependant. The 3 systems have proven to be effective and payments are rarely delayed, other than through exceptional circumstances such as postal delays, technical failure in the BACS system or the production of the payable orders. In the vast majority of cases, payments deducted from pay due on the last working day of each month are credited to the separated partner's account or paid by cheque on the same day.

Usually, AFPAA is directed to make payment to the CSA or Magistrates Court for them in turn to issue funds to the individual. From past experience, this can be the most significant factor in any delay between the deduction of maintenance from a Serviceman's pay and subsequent payment to a separated partner. If your question relates to a specific case, I would be happy to initiate a review if you can provide the necessary detail.

Army Individual Training Organisation

Mr. Forth: To ask the Secretary of State for Defence if he will give for the review of the Royal Navy's approach to efficiency in the Army's Individual Training Organisation *(a)* the expected completion date and *(b)* the cost of conducting the review. [8261]

Dr. Reid: There is no such review. I refer the right hon. Member to the reply I gave my hon. Friend the Member for Portsmouth, North (Mr. Rapson) on 24 June, *Official Report*, columns *421–22*.

Executive Agencies

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will list those areas of his departmental responsibility currently under consideration for defence agency status. [8132]

Dr. Reid: There are three areas within my Department currently under consideration for Defence Agency status. These are the Defence Communications Service, Army Equipment Support and the RAF Support Management Group.

Trident

Professor Webb: To ask the Secretary of State for Defence what plans he has to include the Trident missile programme within his Strategic Defence Review; and if he will make a statement. [7985]

Dr. Reid: The Government's commitment to retain Trident is one of the policy principles on which the Strategic Defence Review is founded. Within this framework the review will examine all aspects of our deterrence requirements.

Plastic Baton Rounds

Mr. Sedgemore: To ask the Secretary of State for Defence, pursuant to his answer of 10 June, *Official Report*, column *372*, when Ministers were made aware that the plastic baton rounds being used in Northern Ireland were firing too fast. [8266]

Dr. Reid *[holding answer 11 July 1997]:* My right hon. Friend the Secretary of State for Defence and I were informed on 14 May 1997 that tests had indicated that some of the baton rounds manufactured in 1994 exceeded the specified velocity. We decided to make an announcement as soon as we knew the results of further tests, and we did so on 10 June.

NORTHERN IRELAND

Housing Benefit Fraud

Mr. Forsythe: To ask the Secretary of State for Northern Ireland how many tenants of private landlords received housing benefit between 1 April 1996 and 1 April 1997; and how many of those were subsequently found to have committed housing benefit fraud. [7186]

Mr. Worthington: The information required to answer the question fully is not readily available at present but I will write to the hon. gentleman shortly and place a copy of my reply in the Library.

Mr. Forsythe: To ask the Secretary of State for Northern Ireland how many *(a)* housing executive and *(b)* DSS fraud inspectors were in situ between 1 April 1996 and 1 April 1997. [7185]

Mr. Worthington: Between 1 April 1996 and 1 April 1997, the Northern Ireland Housing Executive did not employ its staff as fraud inspectors. During this period, fraud investigations and prosecutions were carried out on behalf of the Housing Executive by staff of the Social Security Agency's Fraud and Prosecutions Branch and by the Royal Ulster Constabulary under the Theft Act.

During 1996–97, the Housing Executive appointed five staff to commence work on the development of a Security Strategy for Housing Benefit. Procedures operated by Housing Executive staff administering Housing Benefit include fraud prevention measures, as a result of which it is estimated that, for the six month period ended 31 March 1997, some £1.5 million was saved.

On 1 April 1996 the Social Security Agency had in place 61 staff involved in fraud prevention and detection. On 1 April 1997 the number had risen to 88, 70 of whom include the investigation of referrals from the Housing Executive in their duties.

Mr. Forsythe: To ask the Secretary of State for Northern Ireland how many tenants of the Northern Ireland Housing Executive received housing benefit between 1 April 1996 and 1 April 1997; and how many of those were subsequently found to have committed housing benefit fraud. [7187]

Mr. Worthington: The information required to answer the question fully is not readily available at present but I will write to the hon. gentleman shortly and place a copy of my reply in the Library.

Gearóid O'Dochartaigh

Mr. McNamara: To ask the Secretary of State for Northern Ireland what were the grounds for arrest of Gearóid O'Dochartaigh on 14 June. [7369]

Mr. Ingram *[holding answer 14 July 1997]:* Following a stone-throwing incident in Londonderry on 14 June 1997 Gearóid O'Dochartaigh was stopped and questioned by police as to his identity, under the provisions of section 25 of the Northern Ireland (Emergency Provisions) Act 1996. On failing to satisfy police in this regard, O'Dochartaigh was arrested under the provisions of section 18 of the Act and taken to Strand Road RUC Station where he subsequently provided satisfactory details of his identity. He was subsequently released into the custody of his mother, who attended the station.

Irish Language

Mr. McNamara: To ask the Secretary of State for Northern Ireland what steps she has taken to ensure that the rights of Irish language speakers in Northern Ireland under the law are protected with particular reference to the use of their given name. [7368]

Mr. Worthington *[holding answer 14 July 1997]:* Current administrative guidelines on the use of Irish in official business in Northern Ireland recommend that officials should respect the wishes of any individual who has indicated a desire to be known by a personal name in the Irish language. Unless it appears that he or she is not generally known by that name, a personal name in Irish should be accepted for all official purposes, including correspondence and official documents.

Plastic Baton Rounds

Mr. Sedgemore: To ask the Secretary of State for Northern Ireland (1) pursuant to her answer of 19 June, *Official Report,* columns *275–76,* what assessment she has made of Her Majesty's Inspector of Constabulary's opinion of the need to review RUC guidelines on the use of baton guns more accurately to reflect the Association of Chief Police Officers' manual of guidance; [8529]

(2) pursuant to her answer of 30 June, *Official Report,* column *63,* what assessment she has made of Her Majesty's Inspector of Constabulary's opinion on the risks involved in the routine use of baton rounds; [8530]

(3) pursuant to her answer of 19 June, *Official Report,* columns *275–76,* what assessment she has made of Her Majesty's Inspector of Constabulary's concern in respect of the application of the existing guidelines on baton rounds to the protection of property and detection of crime. [8528]

Mr. Ingram *[holding answer 14 July 1997]:* HMIC's report contains eight main recommendations relating directly to the handling of public order situations and the use of PBRs. These recommendations have been accepted by the Chief Constable. They will be taken into consideration in the current review of baton gun guidelines, which ACPO is conducting and in which the RUC is participating.

Holding Centres

Mr. McNamara: To ask the Secretary of State for Northern Ireland what assessment she has made of the 4th Annual Report of the Independent Commissioner for the Holding Centres; and if she will make a statement. [7411]

Mr. Ingram: A consultation exercise on the recommendations made in the 4th Annual Report of the Independent Commissioner for the Holding Centres is at present being conducted. My right hon. Friend the Secretary of State will consider making a statement when the consultation exercise has been completed.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will publish the code of practice for video-recording interviews with suspects detained in the holding centres. [7412]

Mr. Ingram: The code of practice for the silent video-recording of interviews with suspects detained in the Holding Centres is at an advanced stage of preparation. It will be published as soon as possible.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will review guidelines for the holding centres to enable detainees to be provided with writing materials. [7413]

Mr. Ingram: The provision of writing materials for detainees is being considered as part of the consultation exercise.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if the police have a right of veto over the decision of the Independent Commissioner for the Holding Centres or his Deputy to attend a detainee interview. [7414]

Mr. Ingram: The question as to whether or not the Independent Commissioner or his Deputy attends a detainee interview is in the first place a matter for the detained person. Additionally though, in exceptional circumstances, the police have a right of veto over the Commissioner's decision to attend. This is reflected in the Commissioners' Terms of Reference.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will place a copy of the RUC document, "Notice to Detained Persons," in the Library. [7415]

Mr. Ingram: The Codes of Practice for the Detention, Treatment, Questioning and Identification of detained persons set out very clearly and in some detail the requirements in terms of informing detained persons of their rights while in custody.

A copy of the Codes of Practice is available in the Library.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will list *(a)* the functions carried out in each of the three holding centres and *(b)* the allocation of space accorded to each. [7416]

Mr. Ingram: The function of each of the Holding Centres is to provide for the detention and interview of persons detained under Section 14 of the Prevention of Terrorism (TP) Act 1989, in accordance with the Codes of Practice issued under Section 61 of the Northern Ireland (Emergency Provisions) Act 1991.

The allocation of space accorded to each function varies between Holding Centres and indeed variation exists within each Holding Centre.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what is *(a)* the estimated cost of building works proposed by the Police Authority to replace Castlereagh Holding Centre and *(b)* the estimated duration of such works from commencement to completion. [7417]

Mr. Ingram: It has been estimated in the absence of a statement of feasibility and cost range, that a replacement build for Castlereagh Holding Centre would currently:

(a) cost in the region of £6 million; and

(b) would take a period of approximately 18 months to complete.

Perinatal Mortality

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland what has been the perinatal mortality rate in the Royal Maternity Hospital during the past five years; and what has been the average rate for maternity hospitals in the United Kingdom in the same period. [8585]

Mr. Worthington: The information is not available in the form requested.

AGRICULTURE, FISHERIES AND FOOD

Channel Tunnel (Electrified Grids)

Mrs. Browning: To ask the Minister of Agriculture, Fisheries and Food if the electrified grids in the channel tunnel are turned on. [7705]

Mr. Rooker: Eurotunnel has told us that the grids are now operating, but not to their full specifications. MAFF officials will shortly be carrying out an inspection following a recent visit I made to the tunnel areas in England and France.

Mink Farming

Mr. Steinberg: To ask the Minister of Agriculture, Fisheries and Food what plans he has to prohibit the farming of mink for fur; and if he will make a statement. [7655]

Mr. Morley: I am currently exploring all possible ways forward on how to implement the Government's pre-election pledge to end fur farming as soon as practicable.

Radioactive Waste

Mr. Bennett: To ask the Minister of Agriculture, Fisheries and Food if he will list all areas of United Kingdom seas in which it is known radioactive waste has been dumped; what records he holds on which companies produced radioactive waste during the second half of this century, where the place where they disposed of their waste is unknown or was at sea; and if he will make a statement about the danger of this waste. [8230]

Mr. Rooker: Dumping of radioactive waste in United Kingdom waters was carried out in the Hurd Deep from 1950 to 1963 and, as reported in my written reply to my hon. Friend, the member for Kirkcaldy (Dr. Moonie) on 1 July 1997, *Official Report*, columns *158–60*, in Beaufort's Dyke in the 1950s.

The Department does not hold records on the production by companies of radioactive waste except in relation to the authorised disposal of such waste at sea, and in relation to the Ministry's previous responsibilities with regard to authorising radioactive waste disposal from licensed nuclear sites. We have already undertaken to publish any new information which may be found in the search of archive material referred to in my written answer of 1 July.

Monitoring has shown that levels of man-made radioactivity in UK waters remain well within internationally agreed safety levels and give no cause for concern. Results of this monitoring are compiled and published annually and copies are placed in the Library of the House.

Livestock Support Schemes

Mr. Collins: To ask the Minister of Agriculture, Fisheries and Food how many payments under the force majeure provisions of *(a)* the sheep annual premium scheme and *(b)* the hill livestock compensatory allowances scheme were made in each of the last 10 years; and if he will make a statement. [7461]

Mr. Rooker: The following table shows the information requested in respect of England for the two years 1994 and 1995. Information for earlier years is not readily available and could be provided only at disproportionate cost. Information on the number of cases in 1996 is currently being gathered.

Force majeure cases accepted in England under the sheep annual premium scheme and the hill livestock compensatory allowances scheme

Scheme	*1994*	*1995*
SAPS	30	7
HLCAS	3	4

Drift Nets

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the

(a) extent of use and *(b)* effectiveness of drift nets with Dolphin doors relative to drift nets without such doors; and if he will make a statement. [8485]

Mr. Morley: In 1996, five of the eight United Kingdom vessels participating in the high seas drift net fishery for tuna used dolphin doors. The industry's estimate of dolphin casualties caused by the UK fleet in this fishery was approximately 90. It is not clear how far the use of dolphin doors affected the level of casualties or effectiveness of the drift nets in catching other species.

I am currently considering our policy towards high seas drift nets.

Minestone Tipping (Northumberland)

Mr. Beith: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 3 July, *Official Report,* column *260,* if he will publish the report on the environmental effects of minestone tipping at Lynemouth, Northumberland, which he is currently considering. [8512]

Mr. Morley *[holding answer 14 July 1997]:* I have arranged for copies of the Report to be placed in the Libraries of the House.

Cattle Transportation

Mr. Kidney: To ask the Minister of Agriculture, Fisheries and Food what guidance he will be giving to Staffordshire farmers for the transportation of cattle to slaughterhouses outside the county. [8589]

Mrs. Dean: To ask the Minister of Agriculture, Fisheries and Food if he will review the recent decision of the Intervention Board in respect of the lack of an abattoir registered to take over 30 months cattle and casualty cattle within Staffordshire. [8697]

Mr. Rooker: Following a competitive tender, 26 abattoirs in Great Britain have been contracted by the Intervention Board to slaughter cattle under the Over Thirty Month Scheme. Selection was made on the basis of criteria which included quality and volume of service, suitability of premises, price and geographical location to ensure reasonable access for producers. Proportionally greater capacity has been provided to the traditional dairy areas, including the North West of England, and the number of liveweight markets acting as collection centres for entry to the scheme has not changed.

Inevitably, with the number of abattoirs being reduced from about 50 to 26 to reflect the much lower throughputs in the scheme, some producers will have to travel greater distances. But those in Staffordshire are relatively well served under the new arrangements, despite there being no scheme abattoirs in the county. In fact, distances for them will be less than those for a great many producers elsewhere in the country.

Beef (Illegal Exports)

Mr. Hill: To ask the Minister of Agriculture, Fisheries and Food what action he has taken over allegations of illegal exports of United Kingdom beef; and if he will make a statement.[9120]

Dr. Jack Cunningham: My officials, in conjunction with officials from other member states, the Commission's Anti-Fraud unit and DGXXIV, are pursuing investigations in this country and elsewhere into allegations of the illegal export of UK beef. It will be some time before those investigations are complete. Criminal proceedings will be instigated if sufficient evidence of illegal activity is found. All allegations of illegal exports of beef are urgently and rigorously investigated.

As a result of serious hygiene concerns arising out of our investigations, however, my Department yesterday issued Notices preventing two meat plants in the UK from trading in beef.

In the light of recent events I have undertaken a thorough review of the measures currently in place to implement the ban on the export of UK beef imposed by EC Decision 96/239 as amended by EC Decision 96/362 and have concluded that those measures should be enhanced and extended. I have today informed the European Commission that I intend to:

> introduce new secondary legislation both to clarify and strengthen the powers available to UK officials where illegal exports are suspected;
>
> to enhance the checks that are carried out at ports of despatch.

I am also giving urgent consideration to enhancing veterinary checks at beef plants.

The UK is under an obligation to implement and enforce the export ban firmly and effectively for as long as it is in place. Only in this way will we regain the trust of our European partners, which is an essential pre-requisite to an early lifting of the export ban.

PRESIDENT OF THE COUNCIL

Cabinet Committees

37. **Mr. Mackinlay:** To ask the President of the Council if she will make it her policy to issue statements following meetings of the Cabinet Committees that she chairs. [6728]

Mrs. Ann Taylor: No. Details relating to proceedings of Cabinet Comittees are not published.

HOUSE OF COMMONS

Cycle Allowance

35. **Mrs. Anne Campbell:** To ask the President of the Council if she will assess the advantages of introducing a cycle allowance for right hon. and hon. Members. [6726]

Mrs. Ann Taylor: If hon. Members, instead of using a car, want to use cycles for Parliamentary business then it makes sense to consider this. I shall look at ways of taking this further.

Visitor Facilities

36. **Mr. Gapes:** To ask the hon Member for Roxburgh and Berwickshire, representing the House of Commons Commission, what plans the Commission has to improve facilities for visitors and families of hon. Members.[6727]

41. **Mr. Mitchell:** To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, if the Commission will increase the financial provision for resources and facilities available to visitors to the House. [6733]

Mr. Kirkwood: Following a Recommendation of the Catering Committee in the last Parliament, the House agreed on 12 July 1994 that the area currently occupied by the Westminster Hall Cafeteria should be converted to a Visitor Centre, but this should only take place once a suitable alternative has been found for the present lunchtime users. No doubt this is a matter a new Catering Committee will wish to take up at an early date.

Provision of facilities for families of hon. Members is a matter for the Administration Committee.

Constitutional Bills

38. **Mr. Clifton-Brown:** To ask the President of the Council what is her policy on taking major constitutional Bills in a Committee of the whole House. [6729]

Mrs. Ann Taylor: I refer the hon. Member to the Government's Memorandum to the Select Committee on Modernisation of the House of Commons.

Palace of Westminster

39. **Mr. Stunell:** To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, what plans the Commission has *(a)* to make the Palace of Westminster more accessible to the public and *(b)* to provide clearer information on the operation of the House; and if he will make a statement. [6730]

Mr. Kirkwood: The Commission appreciates the importance of ensuring that access to the Palace of Westminster is available to the thousands of members of the Public who visit it each week and information is provided through the Public Information Office so that they can understand the House of Commons and its activities. A number of initiatives are in progress and I will arrange for a list of these to be published in the *Official Report*.

The following is the information:

The Public Information Office of the Library takes the lead in providing information to the public and it has been making every effort to deal with the increased public interest in Parliament which has become evident in the last few months.

Plans by the Education Unit of the Public Information Office to provide more information for young people were agreed by the Administration Committee in March 1997. These are in addition to the current Autumn Visits Programme, and include greater use of the public gallery for schools visits from November 1997, from 1998 the use of Committee Room 10 to be made available for the holding of six or seven "Pupil Parliaments" per year and from autumn 1997 the holding of four teacher seminars per year. The Administration Committee has also agreed that, following the opening of Portcullis House, a Committee or Conference Room in that building be set aside each Monday and Friday when the House is sitting to enable whole-days seminars for schoolchildren on the work of Parliament to take place.

The Line of Route is available to parties of visitors sponsored by Members and the Administration Committee regularly reviews the arrangements to ensure the greatest possible access. In addition, the general public will be admitted to Westminster Hall from 4 August to 26 September to visit an exhibition being held by the House of Lords Record Office.

Electronic means are also being used to increase accessibility. The Parliamentary public Internet web-site is proving popular and greatly increases the accessibility of the papers and proceedings. New arrangements were instituted for overseas visitors from 1 May 1997. In addition an interactive CD-ROM about Parliament and its activities is currently being produced on a commercial basis with the co-operation of the House authorities and an interactive education web-site is in the planning stage.

It is planned to redevelop the area currently occupied by Westminster Hall Cafeteria to include a visitors' centre after the new Portcullis House is occupied.

An exhibition video and hard disk ROM is on view in the historic Jewel Tower, almost opposite St. Stephen's Entrance.

Privy Counsellors

40. **Mr. Pickthall:** To ask the President of the Council if she will bring forward proposals to put Privy Counsellors on an equal footing with other hon. Members in parliamentary debates. [6732]

Mrs. Ann Taylor: I have no plans to do so. The Select Committee on the Modernisation of the House of Commons may wish to consider this in due course, but for the present I think this should be left to the discretion of Madam Speaker.

Staff Pensions

Mr. Peter Atkinson: To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, if the final value of the pensions of employees of the House will be protected following the Budget; and what estimate he has made of the cost of this protection to the Government. [8352]

Mr. Kirkwood: The pensions of employees of the House who are members of the House of Commons Staff Pensions Scheme (HOCSPS) should not be affected by the budget proposals. The HOCSPS is analogous to the Principal Civil Service Scheme and is operated on a pay as you go basis. Since it is not a funded scheme and consequently has no investments the abolition of tax credits should have no effect on the value of pensions payable.

Mr. Atkinson: To ask the President of the Council if the final value of the pensions of hon. Members' staff will be protected following the Budget; and what estimate she has made of the cost of this protection to the Government. [8353]

Mrs. Ann Taylor: The final value of the pension in respect of any individual on any honourable Member's staff will depend on a wide range of factors, including the level of contributions paid to the individual's pension arrangements, the choice of investment vehicle selected from time to time by the individual, and the level of annuity rates prevailing at the time when the individual

elects to draw pension. Whether or not the Budget will affect the final value of the pension will depend on all of these factors, as well as on economic variables such as the future progress of the investment markets. The ultimate pension levels are not guaranteed, either before or after the Budget.

Chamber (Structural Changes)

Mr. Hinchliffe: To ask the President of the Council what proposals she has to make structural changes to the Chamber of the House. [6731]

Mrs. Ann Taylor: I have no such proposals.

SCOTLAND

Enterprise Companies

13. **Mr. Swinney:** To ask the Secretary of State for Scotland if he will review the strategy of *(a)* Scottish Enterprise and *(b)* the local enterprise companies. [6704]

Mr. Wilson: My right hon. Friend announced on 6 June that he had asked Scottish Enterprise to bring forward their planned review of strategy. Local enterprise companies will be covered by that review. The review will be carried out by Scottish Enterprise in close co-operation with officials from The Scottish Office.

Local Government Finance

14. **Mr. Forth:** To ask the Secretary of State for Scotland if he will make a statement about central Government funding of Scottish local authorities. [6705]

Mr. Chisholm: Central government is providing Scottish local authorities with almost £6 billion in the current year.

A96 and A92

15. **Mr. Malcolm Bruce:** To ask the Secretary of State for Scotland if he will make a statement on future plans for upgrading the A96 and the A92. [6706]

Mr. Chisholm: As I made clear to the hon. Gentleman at the Scottish Grand Committee last week, the current construction work on the Blackburn and Kintore Bypasses on the A96 will provide a further 10km of new dual carriageway by autumn 1998.

Work on minor improvement schemes, and on measures to promote safety on the A90, formerly the A92, will continue. No further procedural work will be carried out on the major scheme to dual the A90 between Balmedie and Tipperty until the conclusions of the strategic roads review are known.

National Health Service Expenditure

16. **Mr. Jack:** To ask the Secretary of State for Scotland what proposals he is considering to increase expenditure on the NHS in Scotland 1997–98. [6707]

Mr. Galbraith: None, by my right hon. Friend, the Secretary of State for Scotland, has instructed Health Boards to use £10 million of savings being realised in 1997–98 from reducing bureaucracy, to reduce waiting times and relieve winter pressures.

Skye Bridge

17. **Mr. Brook:** To ask the Secretary of State for Scotland if he will make a statement about the Skye bridge. [6708]

Mr. Dewar: As I announced to the House on Friday 4 July, columns *288–89*, I intend to introduce measures to alleviate the impact of the Skye Bridge tolls on frequent users.

Alcopops

18. **Mr. Jim Murphy:** To ask the Secretary of State for Scotland what measures he will introduce to stop retailers selling alcopops and designer drinks to young people. [6709]

Mr. Galbraith: The Ministerial Group on Alcopops is considering a range of possible industry and Government measures to tackle underage drinking. These include how alcohol is promoted to appeal to young people and how it reaches them. We will be making a statement shortly.

Fishing Industry

19. **Mr. Bercow:** To ask the Secretary of State for Scotland what meetings he has had with representatives of Scottish fishermen concerning the conclusions of the Amsterdam conference. [6710]

Mr. Chisholm: Representatives of Scottish fishermen were invited to participate in high-level talks on the industry's future, as announced by my right hon. Friend the Minister for Agriculture, Fisheries and Food on 19 June. The meeting took place this morning and was attended by my noble Friend, the Minister for Agriculture, the Environment and Fisheries at The Scottish Office.

Acute Care

20. **Mrs. McGuire:** To ask the Secretary of State for Scotland what plans he has to review strategies for acute care in Scotland. [6711]

Mr. Galbraith: We are undertaking a strategic review of Health Services in Scotland. It will set the principles on which Health Boards will continue to develop the acute services in their area.

Public Appointments

21. **Mr. Canavan**: To ask the Secretary of State for Scotland how many public appointments he is responsible for making. [6712]

Mr. Dewar: I am responsible for 3,652 appointments to public bodies in Scotland of which 2,014 are to children's panels.

Government of Scotland White Paper

22. **Mr. Robathan:** To ask the Secretary of State for Scotland if he will make a statement on the Government's White Paper on the future government of Scotland. [6713]

Mr. McLeish: The White Paper will be published on 24 July. This will allow both Houses proper opportunity to debate the White Paper before the summer recess.

Small Towns Initiative

23. **Mr. Kirkwood:** To ask the Secretary of State for Scotland what new resources are to be made available in the current year under the small towns initiative being mounted by Scottish Enterprise; and if he will make a statement. [6714]

Mr. Wilson: The allocation of resources within the budget adopted by Scottish Enterprise is an operational matter for that organisation. I shall ask the Acting Chairman of Scottish Enterprise to write to the hon. Member.

Milk Quotas

24. **Mr. Alasdair Morgan:** To ask the Secretary of State for Scotland what plans he has to reform the system of milk quotas. [6715]

Mr. Chisholm: The Government's policy on milk quotas and other elements of the dairy regime will be assessed in the light of the European Commission's proposals for reforming the CAP which are expected to be announced shortly.

Agriculture

25. **Mr. Paice:** To ask the Secretary of State for Scotland when he will next attend an EC Council of Ministers meeting to discuss Scottish agriculture. [6716]

Mr. Chisholm: My noble Friend, the Minister for Agriculture, the Environment and Fisheries attended the May meeting of the Agriculture Council and will attend subsequent meetings as appropriate.

Private Finance Initiative

26. **Mr. Maclean:** To ask the Secretary of State for Scotland what discussions he has had with private sector institutions regarding PFI for new hospitals in Scotland. [6717]

Mr. Galbraith: The Secretary of State has had no discussions with private sector institutions regarding PFI for new hospitals in Scotland. I had my first discussions with private sector institutions regarding PFI when I met the preferred bidder for two PFI projects last week and Officials have frequent contact with the private sector bodies involved in PFI hospital projects.

Scottish Assembly

27. **Mr. Brady:** To ask the Secretary of State for Scotland what proposals he has to take account of public opinion in England in drawing up his proposals for a Scottish Assembly. [6718]

Mr. McLeish: The Government's proposals for the establishment of a Scottish Parliament were included in our UK manifesto, and were endorsed by the electorate throughout the United Kingdom. We will continue to take account of public opinion in all parts of the UK in working up the detail of the proposals.

Prison Population

28. **Mr. Grieve:** To ask the Secretary of State for Scotland if he will make a statement on the prison population in Scotland. [6719]

Mr. McLeish: The average daily prisoner population in Scotland in 1996–97 was 5,992 compared with 5,632 in 1995–96 and 5,395 in 1992–93. During 1996–97, the average daily remand population increased by 3 per cent. to 1,021, the highest number recorded in the past five years. The number of adult prisoners and young offenders sentenced increased by 6 per cent. and 10 per cent. respectively. The rise in the number of adult prisoners in 1996–97 can be attributed to the increase in the number of short-term prisoners from 2,022 in 1995–96 to 2,183 in 1996–97.

The projected average daily prisoner population for 1997–98 to 1999–2000 are 6,400; 6,600 and 6,750, excluding the potential effects of the early release provisions in the Crime and Punishment (Scotland) Act 1997.

Voluntary Sports Clubs

Mr. Nigel Jones: To ask the Secretary of State for Scotland what is his assessment of the cost of granting mandatory rate relief to voluntary sports clubs in Scotland; and if he will make a statement. [8006]

Mr. Chisholm: Rate relief provided to qualifying sports clubs in Scotland is entirely at the discretion of local authorities. Although detailed information on reliefs provided by local authorities to sports clubs is not held centrally, total discretionary relief provided in 1995–96 amounted to £4.4 million.

Mr. Jones: To ask the Secretary of State for Scotland what Government proposals exist to harmonise rate relief for voluntary sports clubs in Scotland; and if he will make a statement. [8005]

Mr. Chisholm: Rate relief provided to qualifying sports clubs in Scotland is already harmonised. Non-profit-making sports clubs in Scotland are eligible for mandatory relief. If relief is granted 100 per cent. of the cost is borne by the Exchequer.

Judicial Reviews

Ms Hodge: To ask the Secretary of State for Scotland how many decisions by his Department were challenged by way of judicial review in each Parliamentary session since 1994–95; and if he will list in how many cases *(a)* the Department's decision was upheld, *(b)* the court found for the applicant, *(c)* the Department submitted to the judgment and *(d)* the Department appealed successfully against the judicial review decision. [7845]

Mr. McLeish: During Session 1994–95, 10 decisions were challenged by judicial review in the Court of Session; and *(a)* four decisions were upheld by the Court; *(b)* and *(c)* the Court did not find for the applicant in any case; and *(d)* none were appealed by the Department. Of the remaining six cases, four judicial review petitions were withdrawn and two are yet to be decided by the Court.

During Session 1995–96, 10 decisions were challenged by judicial review in the Court of Session; and *(a)* five decisions were upheld by the Court; *(b)* and *(c)* one decision was not defended by the Secretary of State and accordingly the judicial review petition was successful;

and *(d)* none were appealed by the Department. Of the remaining four cases, three judicial review petitions were withdrawn and one has yet to be decided by the Court.

During Session 1996–97, four decisions were challenged by judicial review in the Court of Session; and *(a)* one decision was upheld by the Court; *(b)* and *(c)* one decision was settled in such a way that the judicial review petition was successful; and *(d)* none were appealed by the Department. Of the remaining two cases, two are yet to be decided by the Court.

Ms Hodge: To ask the Secretary of State for Scotland on how many occasions since 1994–95 legislation has been introduced by the Department *(a)* to remove effects of judicial review decisions and *(b)* to implement them. [7844]

Mr. McLeish: On no occasion since 1994–95 has legislation been introduced by the Scottish Office *(a)* to remove the effects of judicial review decisions and *(b)* to implement them.

Murder and Manslaughter (Convictions)

Mr. Matthew Taylor: To ask the Secretary of State for Scotland how many people were convicted of *(a)* murder and *(b)* manslaughter in each year since 1967; and in each case what proportion this represented of the population. [8126]

Mr. McLeish: The following table sets out the number of persons with a charge proved for a main charge of murder and common law culpable homicide in Scotland in each of the years 1967 to 1995. Convictions for statutory culpable homicide (causing death by dangerous driving and causing death by careless driving when under the influence of drink or drugs) are excluded from the table.

Persons with a charge proved for a main charge of murder and common law culpable homicide in Scotland, 1967–1995

	Number		Per 1,000,000 population[1]	
	Main charge		Main charge	
Year of conviction	Murder	Culpable homicide (common law)	Murder	Culpable homicide (common law)
1967	26	23	5.9	5.2
1968	25	21	5.6	4.7
1969	22	27	4.9	6.0
1970	26	29	5.8	6.5
1971	49	10	10.9	2.2
1972	36	27	8.0	6.0
1973	33	30	7.3	6.6
1974	36	28	7.9	6.1
1975	38	20	8.3	4.4
1976	45	41	9.7	8.9
1977	52	30	11.2	6.5
1978	41	30	8.8	6.4
1979	35	30	7.5	6.4
1980	49	41	10.5	8.8
1981	27	43	5.8	9.2
1982	42	36	9.0	7.7
1983	37	45	8.0	9.7
1984	37	31	8.0	6.7
1985	26	50	5.6	10.8
1986	29	27	6.3	5.9
1987	26	46	5.7	10.0
1988	42	38	9.2	8.3
1989	26	50	5.7	10.9
1990	21	43	4.6	9.4
1991	21	43	4.6	9.4
1992	38	53	8.3	11.5
1993	40	47	8.7	10.2
1994	38	40	8.2	8.7
1995	41	44	8.9	9.5

[1] Persons aged 8 and over.

Catholics (Education)

Mr. Dalyell: To ask the Secretary of State for Scotland if he will make a statement on what guarantees have been given to the Roman Catholic Church in Scotland in relation to the devolution proposals on the right of Catholics to a separate education enshrined in the 1918 Act. [8135]

Mr. McLeish *[holding answer 11 July 1997]:* The Government's detailed proposals, including those for education, will be set out in the forthcoming White Paper.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Scotland, if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8299]

Mr. Dewar *[holding answer 14 July 1997]:* The figures requested for my Department's spending plans within the Control Total are as follows: *(a)* £13,578 million *(b)* £13,475 million (1) £13,707 million (2) £13,523 million.

In addition Scotland will benefit from part of the expenditure outside the Control Total which was announced in the Budget, for Welfare to Work and spending under the Capital Receipts Initiative.

Mr. Bruce: To ask the Secretary of State for Scotland what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8300]

Mr. Dewar *[holding answer 14 July 1997]:* All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

Crime and Disorder Bill

Mr. Connarty: To ask the Secretary of State for Scotland what discussions he has had with Home Office ministers regarding the contents of the planned bill relating to crime and disorder. [6698]

Mr. McLeish: There is regular contact between the two Departments, at both Ministerial and official level, on this and other matters of mutual interest.

In Scotland we have announced our commitment to introducing Community Safety Orders, after proper consultation with the relevant agencies, and to consulting on the introduction of new offences of racial harassment and racially motivated violence.

WALES

Welsh Assembly

Mr. Evans: To ask the Secretary of State for Wales what plans he has to review the Barnett formula in the event of a Welsh Assembly being created. [8493]

Mr. Ron Davies: The Government believes that the Barnett formula has played a very important part in the allocation of public expenditure. I shall set out the financial arrangements for the proposed Welsh Assembly fully in the White Paper.

Mr. Llew Smith: To ask the Secretary of State for Wales by what mechanisms other than the White Paper and its summary information relating to the Welsh Assembly will be disseminated prior to the Referendum; and if he will make a statement. [8587]

Mr. Davies: A telephone helpline will be established to answer queries from the public about the Government's proposals. In addition, I am considering making available summary information on particular aspects of the Government's proposals.

Welsh Sport

Mr. Öpik: To ask the Secretary of State for Wales if he will make a statement on his Department's funding for Welsh sport in *(a)* 1995–96, *(b)* 1996–97 and *(c)* 1997–98. [8431]

Mr. Ron Davies: Central Government funding for Welsh sport is channelled through the Sports Council for Wales. Welsh Office grant in aid to the Council over the three years has been as follows:

1995–96: £6.624 million

1996–97: £6.624 million

1997–98: £6.596 million.

The Sports Council also receives income from the National Lottery as the body responsible for distributing Lottery proceeds to sport in Wales. Since the Council started distributing Lottery grants in April 1995 almost £24 million has been awarded to support 246 projects throughout Wales.

Obesity

Mr. Martyn Jones: To ask the Secretary of State for Wales what new initiatives his Department is planning in respect of obesity; and if he will make a statement. [8743]

Win Griffiths: Action in pursuit of the new Health Gain Targets for Wales published on 11 June 1997 is likely to include programmes to reduce the incidence of obesity.

In addition, the Health Promotion Authority for Wales' current strategic framework provides specifically for work to be undertaken to combat obesity by increasing physical activity in both adults and children and encouraging healthy eating in the population.

Youth Unemployment

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will list for each county council, and for Wales, the latest estimates of youth unemployment, and comparable figures for the United Kingdom. [8219]

Mr. Win Griffiths: At April 1997 there were 23,000 persons in Wales and 421,700 persons in the UK aged 18–24 on the claimant unemployment count. These figures are not seasonally adjusted. The comparable date at county council level are available from the NOMIS database which can be accessed by the staff of the Library of the House.

Poor Housing Conditions

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will list for each county council, and for Wales, the latest indicators of poor housing conditions, and comparable figures for the United Kingdom. [8220]

Mr. Win Griffiths: The latest Welsh House Condition Survey was conducted in 1993. From this, it is estimated that 151,200 occupied first homes, 13.4 per cent. of the total, in Wales were unfit. Information on individual local authority areas is not available from this survey. A further house condition survey, which will provide results for local authority areas, is underway. Information from this survey will be available in 1998. Comparable figures for the United Kingdom are not available because of differences in the timing and detail of the surveys. However, the 1991 English House Condition Survey identified 7.6 per cent. of all dwellings in England as being unfit. The Northern Ireland 1991 survey identified 8.8 per cent. of dwellings as unfit. In Scotland in 1991, 4.7 per cent. of the stock was assessed as being Below Tolerable Standard.

Sickness

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will list for each county council, and for Wales, the latest indicators of relative incidence of sickness, and comparable figures for the United Kingdom. [8221]

Mr. Win Griffiths: Information, by unitary authority area, on various indicators of health in Wales is published by the Welsh Office in "Health Statistics Wales 1996" and "The Welsh Health Survey 1995". Information on the health of people in the countries and regions of the United Kingdom is published by the Office for National Statistics in "Regional Trends 32". Copies of these publications are in the Library of the House.

Relative Poverty

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will list for each county council, and for Wales, the latest indicators of relative poverty, and comparable figures for the United Kingdom. [8226]

Mr. Win Griffiths: I refer the hon. Member to the reply I gave my hon. Friend the Cynon Valley (Ann Clwyd) on 5 June 1996, *Official Report*, column *251*.

Exports and Imports

Mr. Denzil Davies: To ask the Secretary of State for Wales, pursuant to his answer of 24 June, *Official Report*,

column 495, when the Under-Secretary, the hon. Member for Neath, (Mr. Hain) intends to write to the right hon. Member with an explanation and to place a copy of his letter in the Library. [8791]

Mr. Hain: I wrote to my right hon. Friend on 10 July. A copy of my reply has been placed in the Library of the House.

Taff-Ely SSSI

Sir Teddy Taylor: To ask the Secretary of State for Wales when the Government intends to designate the Taff-Ely site of special scientific interest as part of the Lower Severn Estuary Special Protection Area. [8774]

Mr. Win Griffiths: A decision as to the boundaries of the Lower Severn Estuary Special Protection Area was taken in 1991 and my right hon. Friend has no plans to reconsider the extent of that area.

HEALTH

Black Report

Mrs. Brinton: To ask the Secretary of State for Health what plans he has to implement the recommendations of the Black report of 1980 on inequalities in health. [7820]

Ms Jowell: The Black report was published in 1980. We have asked Sir Donald Acheson to chair an independent review into health inequalities in England in the 1990s. He will assist the Department of Health and the Office for National Statistics to carry out a review of the latest available information on inequalities in health and expectation of life in England. He will then conduct an independent review to identify priority areas for future policy development which will contribute to the development of a new health strategy. The Terms of Reference for the review have been placed in the Library.

Health Status Indicators

Ms Walley: To ask the Secretary of State for Health what indicators his Department uses to monitor the health status of *(a)* infants and children, *(b)* adults and *(c)* pensioners; and if he will make a statement. [8875]

Ms Jowell: The Department makes use of a wide range of information on births and deaths registrations, population surveys and health service information to gain an understanding of the health status of different groups in the population.

Sources available in the Library include:

- the Chief Medical Officer's Annual Report, a key element of which is a review of the health status of the general population;
- the Public Health Common Data Set, which includes a wide variety of indicators;
- Health of the Nation Briefing Packs, which include information on progress towards a limited range of targets.

I announced on 7 July our intention to develop a new strategy for a healthier nation. It will take account of population groups—children, the working age population and elderly people—and priorities will be chosen where there is clear scope for measurable progress.

NHS Estates

Mrs. Anne Campbell: To ask the Secretary of State for Health if he will publish the annual report and accounts 1996–97 of the NHS Estates Executive Agency. [9001]

Mr. Milburn: I have received the report and copies have today been laid in accordance with section 5 of the Exchequer and Audit Departments Act 1921. Copies are also available in the Library.

Dementia

Mr. Burstow: To ask the Secretary of State for Health if his Department will introduce a national protocol on *(a)* diagnostic tests and *(b)* new treatments for Alzheimer's disease. [7748]

Mr. Boateng: We have no plans to introduce a national protocol for diagnostic tests; however, we are considering whether to issue guidance to the National Health Service on new medicines for Alzheimer's disease.

Mr. Burstow: To ask the Secretary of State for Health if he will issue new guidance to health authorities on how they should assess the needs for people with dementia and their carers in their area. [7749]

Mr. Boateng: In March this year guidance was issued to assist managers in purchasing authorities in their responsibilities for meeting the needs of older people, including those with dementia, and their carers. It is entitled "A Handbook on Mental Health for Older People" and copies are available in the Library.

Mr. Burstow: To ask the Secretary of State for Health what guidance he has provided to health authorities on the prescribing of donepezil for people with Alzheimer's disease. [7750]

Mr. Milburn: We are considering whether it would be useful to health authorities to issue guidance on the introduction of donepezil for patients with mild to moderate forms of Alzheimer's disease.

Mr. Burstow: To ask the Secretary of State for Health if he will issue guidance to health authorities for the establishment of dementia care management units to assume organisational responsibility for the planning and provision of services for people with dementia. [7753]

Mr. Boateng: Old Age Psychiatry Services are the core National Health Service service for assessing and managing dementia as well as other health problems in older people. Purchasing authorities have been given guidance on the provision of services for people with dementia in the "Handbook on the Mental Health of Older People" which was published in March this year and copies are available in the Library.

Long-stay Facilities

Mr. Burstow: To ask the Secretary of State for Health what estimate he has made of the extra costs to local authorities caused by the closure of NHS long-stay facilities. [7751]

Mr. Boateng: No such estimate has been made. Where substantial changes in service provision, including the closure of part or all of a hospital, are proposed they are always the subject of public consultation. Proposals would not be agreed unless acceptable alternative services were available. There is no direct link between a reduction in the number of long-stay hospital beds and costs to local authorities.

The Department monitors the average daily number of available beds in the three main service areas where long-stay provision is concentrated. The latest figures on the number of beds available are set out in the table.

Average daily number of beds available

Speciality	*1992–93*	*1993–94*	*1994–95*	*1995–96*
Geriatric	40,000	37,000	37,000	34,000
Mental Health	47,000	44,000	42,000	39,000
Learning Disability	19,000	17,000	14,000	13,000
Total	106,000	98,000	93,000	86,000
Year-on-year change	—	–8,000	–5,000	–7,000

NHS Finance

Mr. Burstow: To ask the Secretary of State for Health if he will require health authorities separately to identify expenditure on specific clinical needs. [7752]

Mr. Milburn: Health authorities already identify and report expenditure on a range of broad areas of activity as part of regular performance monitoring. Expenditure on specific clinical needs is not identified.

Private Finance Initiative

Mr. Jack: To ask the Secretary of State for Health if he will list for each of his approved PFI hospital projects the outstanding contractual issues which have to be resolved. [7789]

Mr. Milburn *[holding answer 10 July 1997]:* Two Private Finance Initiative schemes, at Dartford and Gravesham National Health Service Trust and Norfolk and Norwich Health Care NHS Trust, have reached agreement to proceed to financial close. Although both trusts have signed commercial contracts with their partners, the consortia have yet to agree final terms with their respective financiers. To disclose this information at this stage may affect the negotiating positions of the trusts.

Written Answers to Questions

Wednesday 16 July 1997

HOUSE OF COMMONS

Statutory Instruments

Sir Richard Body: To ask the President of the Council what percentage of statutory instruments introduced into Parliament in *(a)* 1976, *(b)* 1986 and *(c)* 1996 had the European Union as their legislative source; if she will take steps to introduce a physical distinction in the publication of such statutory instruments in the future; and if she will make a statement. [6482]

Mrs. Ann Taylor: The total number of Statutory Instruments (SIs) registered as General Instruments in 1976, 1986 and 1996 was:

Year	*Number of SIs*
1976	1,168
1986	1,359
1996	1,832

Source:

Statutory Instruments Publication Office. Statutory Instruments are classified as General Instruments if they are in the nature of a public general Act. SIs may also be registered as Local Instruments if they are in the nature of local and personal or private Acts. SIs implementing EC legislation will always be classified as General Instruments.

It is not possible without incurring disproportionate cost to determine how many of these SIs were introduced to comply with European Community obligations. However, the number of SIs, including amending Instruments, registered in the three years concerned to comply with European Community Directives which were still in force on 31 October 1996 was:

Year	*Number of SIs*
1976	26
1986	28
1996	80

Source:

Butterworth's EC Legislation Implementator 1997, Issue 1. The figures are based on material collated up to 31 October 1996 and relate to Directives in force on that date. Directives for which no implementing material has been identified, or which have been repealed or spent, have not been included.

I have no plans to introduce a physical distinction in the publication of such Statutory Instruments.

An earlier answer given by the then Chancellor of the Duchy of Lancaster, *Official Report*, 28 January 1997, columns *131–32* gave figures for the number of Statutory Instruments implementing EC Directives between 1992 to 95. An error has since been discovered in the compilation of these figures and corrected figures are now given in the table.

Year	*Number of SIs*
1992	124
1993	86
1994	137
1995	127
1996	80

Select Committee on European Legislation

Mr. Mitchell: To ask the President of the Council how many *(a)* regulations, *(b)* directives and *(c)* other documents placed before the Council of Ministers were not considered by the Select Committee on European Legislation prior to the dissolution; and if she will take steps to notify (i) hon. Members and (ii) others of the outstanding documents. [8506]

Mrs. Ann Taylor: Forty-eight items of business were not considered by the Select Committee on European Legislation prior to the dissolution. These included 14 proposals for Councils regulations, nine proposals for Council directives and 25 other documents.

I have asked the Clerk of the Select Committee on European Legislation to send details of all remaining business before the Committee to the hon. Member, and to place a copy in the Library of the House.

TREASURY

Dividend Tax Credits

Mr. Willetts: To ask the Chancellor of the Exchequer what are the Government Actuary's estimates of the effect of the Budget proposal to end dividend tax credits on the ability of funded public sector pension schemes to meet their current and future liabilities; and if he will estimate the increased contributions that will be necessary for each scheme. [7403]

Dawn Primarolo: The position will vary from scheme to scheme depending on factors such as the type of scheme, the make up of its investment portfolio and its financial circumstances. For example, many schemes have surpluses which can be used to cushion the effect. Pension schemes should also benefit from improved company performance as a result of encouraging quality long-term investment.

The employers' contribution rates to each individual funded public sector scheme are determined by the funds' own actuarial adviser—not necessarily the Government Actuary. Actuarial revaluations take account of all relevant considerations, including the high returns earned by many funds in recent years, as well as the changes to dividend tax credits.

Tax Loopholes

Mr. Jack: To ask the Chancellor of the Exchequer what estimates he has made for the financial years

1997–98, 1998–99 and 1999–2000, of the tax yield for each of the measures enacted in the Finance Act 1997 aimed at closing tax loopholes. [3376]

Dawn Primarolo: The information requested is shown in the following table.

Revenue effects of measures enacted in the 1997 Finance Bill aimed at closing tax loopholes

£ million yield (+)/cost (–) of measure

Anti-avoidance and revenue protection measures	*Changes from an indexed base*		
	1997–98	*1998–99*	*1999–2000*
Inland Revenue			
Finance leasing of assets	80	150	150
Capital gains tax: treatment of securities	5	15	20
Stamp duty reserve tax bearer securities	50	50	50
Countering contrived claims to double taxation relief	[1]—	50	50
PAYE/NICs avoidance: payment in "own company" shares	110	30	30
Futures and Options—counter avoidance devices	[1]—	50	50
Artificial annuities paid by insurance companies	10	20	20
Tax relief for profit related pay—phased out	200	800	1,800
Capital allowances—long life assets	45	325	675
Relief for drilling production oil wells	[1]—	150	200
Customs and Excise			
Purchase of international supplies	[1]—	[1]—	[1]—
VAT on supplies of Land and property	70	110	120
Insurance premium tax to 17.5 per cent. on insurance sold with certain goods and services	160	235	260
Bad debt relief	120	175	165
Telecommunications and similar services	5	10	10
Sale of donated goods	[1]—	[1]—	[1]—
Charitable providers of care	[1]—	[1]—	[1]—
Separation of businesses to get below VAT threshold	[1]—	[1]—	[1]—

Notes:

[1] Negligible effects on revenue amounting to less than £3 million a year.

The yields represent the estimated direct effect of the measures with the existing level of activity. Without these measures there could be a more significant loss of revenue in the future.

Private Finance Initiative

Mr. Jack: To ask the Chancellor of the Exchequer if he will make a statement on the progress of the PFI project for the refurbishment of the Government Offices, Great George Street. [3369]

Mr. Geoffrey Robinson: Confidential discussions are continuing with Exchequer Partnership plc. A statement will be made in due course.

Tax Changes

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer if he will estimate the effects of the tax changes announced in the Budget on each decile of household income. [8142]

Dawn Primarolo *[holding answer 11 July 1997]:* Estimates of the impact on households of the tax changes announced in the Budget which we can directly model are contained in the table below. The figures show the direct impact of the measures on households. They do not reflect the long term benefits of the Budget, including New Deal spending which will help to move the long-term unemployed from welfare into work; and the long term benefits of reducing Government borrowing.

Average impact of main Budget tax measures, relative to indexation

Household income decile	*Change (£ per week)*	*As a percentage of net income*
Bottom	–0.30	–0.25
2	–0.35	–0.25
3	–0.45	–0.25
4	–0.80	–0.35
5	–1.15	–0.40
6	–1.30	–0.40
7	–1.55	–0.40
8	–1.80	–0.40
9	–2.05	–0.40
Top	–2.35	–0.30
Average	–1.20	–0.35

The figures include the main tax measures directly affecting households which can be modelled: reduction of VAT on fuel and power to 5 per cent., reducing the Gas Levy to zero, reducing in MIRAS to 10 per cent., real increase in tobacco duty of 5 per cent., real increase in road fuel duty of 6 per cent., and abolition of tax relief on Private Medical Insurance. Figures are rounded to the nearest 5p, or 0.05 per cent.

Household incomes are adjusted for differences in composition before allocating households to deciles.

The figures do not reflect that the tax changes affect households very differently depending upon their expenditure. For example estimates for the effect of the Budget on non-smokers are contained in the following table:

Average impact of main Budget tax measures (excluding tobacco), relative to indexation

Household income decile	*Change (£ per week)*	*As a percentage of Net Income*
Bottom	0.05	0.05
2	0.00	0.00
3	–0.10	–0.05
4	–0.40	–0.15
5	–0.70	–0.25
6	–0.90	–0.25
7	–1.15	–0.30
8	–1.40	–0.30
9	–1.65	–0.30
Top	–1.95	-0.25
Average	–0.80	–0.25

VAT (Fuel)

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer what estimate he has made of the effect of his Budget's reduction in VAT on domestic fuel on *(a)* a single pensioner and *(b)* a pensioner couple on average income net of upratings of pensions and benefits. [7093]

Dawn Primarolo *[holding answer 7 July 1997]:* The reduction in VAT on fuel and power will mean an average fuel bill saving of 30p per week for single pensioners, and 40p per week for couples.

The state retirement pension is uprated in April of each year by the annual Retail Prices Index (RPI) inflation rate for the preceding September. Uprating by RPI reflects the prices paid for goods and services. So the real value of the pension is not affected.

Pensioners (Fuel Costs)

Mr. Colvin: To ask the Chancellor of the Exchequer if he will list the average domestic fuel costs of a state retirement pensioner household for the last three years. [7649]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr Michael Colvin, dated 16 July 1997:

The Chancellor of the Exchequer has asked me to reply as Director of the Office for National Statistics to your recent question on average domestic fuel costs of a state retirement pensioner household.

Average weekly expenditure on gas, electricity and other fuels by households all of whose adult members are above minimum state retirement age is estimated, from the Family Expenditure Survey (FES), to have been £10.90 in 1993–94, £10.60 in 1994–95, and £10.50 in 1995–96, and are estimated with an accuracy of plus or minus 35 pence.

FES figures are in the prices of each survey year and have not been adjusted for inflation. Any comparison between these figures would need to allow for inflation.

Earnings (Blackpool)

Mr. Gordon Marsden: To ask the Chancellor of the Exchequer what estimate he has made of the number of employees in Blackpool currently earning less than *(a)* £3.50 per hour, *(b)* £3.75 per hour and *(c)* £4 per hour. [8747]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Gordon Marsden, dated 16 July 1997:

The Chancellor of the Exchequer has asked me to reply as Director of the Office for National Statistics to your recent question on earnings in Blackpool.

The latest information, from the New Earnings Survey (NES) April 1996, is given in the table below for the local authority district of Blackpool.

Employees on adult rates whose pay for the survey pay-period was not affected by absence, NES April 1996

Percentage of employees with hourly earnings (excluding overtime) less than:

Blackpool Local Authority	*£3.50*	*£3.75*	*£4.00*
Full-time	10.1	13.2	15.9
Part-time	18.4	25.0	30.3
All	12.2	16.2	19.5

Infant Mortality

Ms Walley: To ask the Chancellor of the Exchequer if he will list the number of infant mortalities for each of the last five years *(a)* in Stoke-on-Trent North, *(b)* by region and *(c)* nationally. [8878]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Ms Joan Walley, dated 16 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics, to your recent parliamentary question on infant mortalities.

The following table shows infant mortality in Stoke on Trent North, numbers and rates per 1,000 live births, 1992–1996.

	Numbers	*Rates*
1992	10	9.6
1993	6	5.6
1994	8	7.5
1995	6	6.1
1996	4	4.0

National and regional data for 1992 to 1996 are available in ONS Monitor Series DH3 and ONS Annual Reference Volumes Series VS. These publications are available in the House of Commons Library.

Civil Service Pay

Mr. Öpik: To ask the Chancellor of the Exchequer what will be the percentage increase in pay in 1997–98 for each grade of civil servant. [8430]

Mr. Kilfoyle: The information you request is not available.

For the Senior Civil Service, staff will receive increases between 0 per cent. and 10 per cent. depending on performance. The majority will receive increases of between 2.75 per cent. and 5.24 per cent. These awards will be staged, with a maximum of 2 per cent. payable from 1 April 1997 and the balance payable on 1 December 1997.

Since 1 April 1996, all government departments and agencies have had delegated responsibility for their own pay and grading arrangements for staff outside the Senior Civil Service. Thus it is no longer the case that single rates for individual grades apply across the Civil Service as a whole. Some information on the salaries of civil servants by their responsibility level is published annually in Civil Service Statistics, but this is not yet available for 1997–98.

HOME DEPARTMENT

Domestic Violence

Mr. Flynn: To ask the Secretary of State for the Home Department what new measures he plans to introduce to protect women from domestic violence. [8802]

Mr. Michael: Domestic violence is a serious and widespread crime which damages the lives of victims in many respects, including housing, health and education,

and destroys their freedom to live their lives without fear. The Government are committed to tackling domestic violence on every front.

We are currently examining the policies operating in this area, with a view to ensuring that we have an effective strategy against domestic and sexual violence. This strategy will take full account of our commitments to tackling crime in general, and to promoting equality and opportunity for women.

Mr. Flynn: To ask the Secretary of State for the Home Department if he will conduct a national survey to establish the extent of violence against women in the United Kingdom. [8804]

Mr. Michael: The biennial British Crime Survey (BCS), conducted by the Home Office, already provides a regular measure of the extent of violence against both women and men in England and Wales. The next sweep of the BCS will take place in early 1998.

There is ongoing work by survey designers to improve the measurement of sexual and domestic violence in particular. The most recent sweep, in 1996, contained a particularly detailed component on domestic violence. The data are currently being analysed and findings will be published in due course.

Some main findings of the extent of violence against women from the 1996 BCS include:

There were 1,580,000 incidents of contact crime (wounding, common assault, robbery and snatch theft) aimed against women during 1995. In total, 39 per cent. of violent incidents measured by the BCS in 1995 were against women.

Women are less likely than men to be victims of all types of violence except domestic violence (defined as woundings and common assaults committed by relatives, partners, ex-partners or other household members). In 1995, 1.3 per cent. of women responding to the survey reported one or more such incidents, compared with 0.7 per cent. of men. The risks are greatest for women under thirty: 3.3 per cent. of such respondents reported a domestic violence incident in 1995 to the survey.

0.7 per cent. of women were victims of mugging (robbery and snatch theft) in 1995. The risks were highest for younger women: 1.3 per cent. of those aged 16 to 29 had been mugged compared with 0.5 per cent. of the older age group.

Thirty-five per cent. of violent incidents against women measured by the BCS were reported to the police in 1995. Muggings were most likely to be reported (71 per cent.), domestic incidents and other violence from people known to the victim the least likely (32 per cent. and 27 per cent. respectively).

Mr. Flynn: To ask the Secretary of State for the Home Department what plans he has for the recording of figures on domestic violence as a separate category within official crime statistics. [8803]

Mr. Michael: Domestic violence is not a legally defined offence and the police are not currently required separately to identify domestic violence incidents in their statistical returns to the Home Office or to record the relationship between victim and offender. Crimes of domestic violence, if they reach the courts, could be prosecuted as threatening behaviour, affray, common assault, assault occasioning actual bodily harm, wounding or inflicting grievous bodily harm, indecent assault, rape or attempted rape, threats to kill, attempted murder, manslaughter or murder. For this reason it is difficult to assess centrally exactly how many cases of domestic violence occur in England and Wales. However, Her Majesty's Inspectorate of Constabulary collects some statistics on domestic violence and many police forces have their own arrangements for doing so. Other sources, such as the British Crime Survey, also provide useful statistical data on domestic violence.

Along with my colleagues in the Home Office and in other Government Departments, I am currently examining all the policies operating in the area of domestic violence, including the collection of statistics.

Public Interest Immunity Certificates

Ms Kingham: To ask the Secretary of State for the Home Department how many public interest immunity certificates have been issued in *(a)* 1997 and *(b)* each of the three previous years; and if he will provide a breakdown of the sources of requests for such certificates over that period. [8755]

Mr. Straw: In respect of my Department, six public interest immunity (PII) certificates have been issued in 1997. For each of the three previous years the available figures are:

Year	*Number of PII certificates*
1994	7
1995	13
1996	8

The certificates in question have been issued to protect information relating to the Security Service, and information relating to the security and operation of prisons. Of the 34 certificates issued since 1994, 19 have related to the Security Service and 15 to the Prison Service.

Prison and Probation Services

Dr. Naysmith: To ask the Secretary of State for the Home Department what plans he has to improve joint working between the prison and probation services. [7159]

Mr. Straw: It is very important that the prison and probation services work together closely and effectively. They are both responsible for protecting the public from harm; and where prisoners are released from sentences which are served partly in custody and partly in the community they are subject to probation service supervision. There need to be the best possible arrangements for sharing information about prisoners and co-ordinating effort on risk assessment, resettlement planning and programmes directed to reducing offending and dealing with problems such as drug or alcohol misuse, which get in the way of successful rehabilitation.

We therefore intend to look at ways in which the better integration of the two services could improve their performance and effectiveness. I have asked my hon. Friend the member for Gateshead, East and Washington, West (Ms Quin) who has ministerial responsibility for both services within the Home Office, to lead this work. This will include looking at the structure and organisation of the probation service, to complement the review of the prison service which is now under way.

A system of punishment which is effective, credible and commands public confidence requires both community and custodial sentences to work, and to work together. Having considered the options for improving on present arrangements, I shall consult all concerned before deciding on the best way forward.

The detailed terms of reference of this review are as follows:

To identify and assess options for closer and more integrated work between the Prison Service and the probation service of England and Wales, including any implications for the structure, organisation, management, working practices, human resources, funding and legislation governing the functions of those services;

To examine international models reflecting good practice and to identify any lessons concerning the effectiveness and efficiency, organisation and management structures exhibited by those models;

To provide a preliminary analysis of the options identified, including the estimated costs and benefits, as a basis for consultation.

This review will in due course form part of the Comprehensive Spending Review.

Alcopops

Mr. Grogan: To ask the Secretary of State for the Home Department what plans he has in relation to under age alcohol misuse, with particular reference to alcopops. [9307]

Mr. George Howarth: I am publishing tomorrow the conclusions of the Ministerial Group on alcopops. A copy of the Group's statement will be placed in the Library tomorrow at 10.30 am.

Animal Experiments

Mr. Hancock: To ask the Secretary of State for the Home Department how many applications for project licences have been refused under section 5(5) of the Animals (Scientific Procedures) Act 1986 on the ground that the applicant has failed to give adequate consideration to the feasibility of carrying out the research by means not involving the use of animals. [8328]

Mr. George Howarth: Licence applications are rarely formally refused because, when the Animals (Scientific Procedures) Inspectorate indicate that they cannot recommend that a licence be granted, the applicant either amends the application or voluntarily withdraws it. Records which distinguish between refused and withdrawn applications are not collected centrally.

In considering licence applications, the Inspectorate ensures that adequate consideration has been given to replacement, reduction and refinement alternatives.

Mr. Hancock: To ask the Secretary of State for the Home Department when the project licence granted under article (10(3) of the Animals (Scientific Procedures) Act 1986 to allow the use of non-purpose bred greyhounds in a study of osteoarthritis expires. [8456]

Mr. Howarth: This project licence is due to expire on 6 December 1997.

Mr. Hancock: To ask the Secretary of State for the Home Department how many licences in the *(a)* moderate and *(b)* substantial severity category of the Animals (Scientific Procedures) Act 1986 have been applied for in each year. [8749]

Mr. Howarth: The number of licences of moderate and substantial severity which were granted in each year is as follows:

Year	*Moderate*	*Substantial*
1989	449	14
1990	n/a	n/a
1991	303	11
1992	608	33
1993	617	16
1994	436	8
1995	392	23
1996	350	11

Figures for the years before 1991 (with the exception of 1989) and for applications (rather than granted licences) are not available centrally.

Mr. Hancock: To ask the Secretary of State for the Home Department what plans he has to prohibit the use of animals in cosmetic tests. [8669]

Mr. Howarth: There are no immediate plans to prohibit the use of animals in cosmetics tests.

We will be considering how to take this matter forward within Europe in a way which does not simply export these tests to countries which have less regard for animal welfare and less rigorous controls and does not unnecessarily disadvantage United Kingdom industry.

We must also ensure that any action we take does not compromise public safety and is legally defensible (both within the United Kingdom and Europe). In this regard, we note that the European Commission has postponed a proposed ban on the marketing of cosmetics tested on animals until June 2000, because alternative safety tests have not been validated and because the proposed ban may have contravened international trade rules.

Mr. Hancock: To ask the Secretary of State for the Home Department what investigations are carried out by inspectors, employed under the Animals (Scientific Procedures) Act 1986, into the source of animals used in experimentation. [8671]

Mr. Howarth: Unless otherwise authorised, animals listed in Schedule 2 of the Animals (Scientific Procedures) Act 1986 must be obtained from designated breeding or supplying establishments. All such establishments are regularly inspected and are expected to meet the standards set out in the "Code of Practice for the Housing and Care of Animals in Breeding and Supplying Establishments". Where authority is given to acquire Schedule 2 animals from a non-designated source, the Home Office Inspectorate will always ensure its suitability and reliability.

Approval for the acquisition of primates from overseas sources will be given only if the conditions at the breeding or supplying centre are acceptable to the Home Office. A number of such centres have been visited by a Home Office Inspector.

Mr. Hancock: To ask the Secretary of State for the Home Department what breeds of dogs, other than greyhounds and purpose-bred animals, have been used in experiments in laboratories in each of the years since 1986; and from where these dogs were obtained. [8746]

Mr. Howarth: Information on the specific breeds used, other than greyhounds or beagles, is not collected centrally.

Mr. Hancock: To ask the Secretary of State for the Home Department how many animal experiments have been conducted since 1986 in connection with forensic studies; and what species of animals were used for this purpose. [8670]

Mr. Howarth: This information has been collected only since the start of 1995 and was published in table 1 of the "Statistics of Scientific Procedures on Living Animals, Great Britain, 1995". During 1995, 139 procedures were carried out for the purpose of forensic enquiries. The species of animals involved were rats, rabbits, equidae, sheep and cattle.

Mr. Hancock: To ask the Secretary of State for the Home Department how many of his Department's inspectors employed since 1986 under the Cruelty to Animals Act 1876 have previously performed experiments on animals in commercial, academic or Government laboratories. [8664]

Mr. Howarth: The Cruelty to Animals Act 1876 was repealed by the Animals (Scientific Procedures) Act 1986.

Information about whether ex-inspectors carried out experiments on animals either under the 1876 Act or the current Act is not kept centrally. However, we believe that 27 inspectors employed under the Animals (Scientific Procedures) Act 1986 had carried out such experiments before joining the Inspectorate.

Mr. Hancock: To ask the Secretary of State for the Home Department how many inspections have been made by his Department's inspectors, under the Animals (Scientific Procedures) Act 1986; and what proportion of these visits were unannounced. [8748]

Mr. Howarth: The number of visits to establishments carried out by the Animals (Scientific Procedures) Inspectorate from 1989 to 1996 inclusive is 23,005. 19,902 were for the purpose of inspection or the monitoring of research projects; the remainder were for the purpose of maintaining scientific or professional skills, representing the Home Office or furthering Home Office policy. This information is published each year in the "Statistics of Scientific Procedures on Living Animals, Great Britain". The proportion of visits to Departments within establishments which were announced is 71 per cent.

Prior to 1989, visits to Departments rather than establishments were counted, and details of the purpose of the visit and whether it was announced or unannounced are not available.

Youth Crime

Mr. Öpik: To ask the Secretary of State for the Home Department how much money he has allocated for the prevention of youth crime for 1997–98; and what were the equivalent figures for *(a)* 1995–96 and *(b)* 1996–97. [8432]

Mr. Michael: Not all the expenditure on youth crime initiatives can be separated out from Home Office programmes. A total of £1,723,000 is committed for 1997–98 for such programmes, much of which will support initiatives of this kind.

This is divided between the core funding of Crime Concern, which takes particular interest in youth crime prevention, although the Home Office funding is for the organisation's running costs rather than for the direct support of initiatives; the Home Office's Programme Development Unit which supports innovative projects aimed at reducing criminality among young people; the Safer Cities programme and support for two Home Start projects.

The equivalent figure for *(a)* 1995–96 was £1,800,000; and for *(b)* 1996–97 it was £1,695,000.

Future expenditure plans will be considered in the context of the Comprehensive Spending Review.

Intrusive Surveillance

Ms Fiona Jones: To ask the Secretary of State for the Home Department what plans he has for consultation on the intrusive surveillance code of practice required under Part III of the Police Act 1997. [9290]

Mr. Michael: On 14 July, I signed an Order to commence section 101 of the Police Act 1997 on 5 August 1997. This will allow the public consultation exercise to begin on that date. Officials will send copies of the draft code of practice to a number of individuals and organisations, inviting their comments by the end of September. Copies will be placed in the Library and additional copies of the draft code are obtainable from the Home Office.

Fire Safety

Mr. Heppell: To ask the Secretary of State for the Home Department what plans he has to make regulations to satisfy the outstanding fire safety requirements of the EC Framework and Workplace directives. [9165]

Mr. George Howarth: Having consulted my right hon. Friend the Secretary of State for Scotland, we intend shortly to make suitable regulations. These will build on those proposals on which consultation was completed last year and will be accompanied by a simple guidance package. We hope to lay the regulations before Parliament rises for the summer recess. I understand from my right hon. Friend the Secretary of State for Northern Ireland that she intends to lay equivalent regulations for Northern Ireland before the end of the year.

Yugoslavia (Displaced Persons)

Mr. Cawsey: To ask the Secretary of State for the Home Department what changes are being made in the handling of applications from refugees and displaced persons from the former Yugoslavia following the Dayton Peace agreement. [9463]

Mr. Mike O'Brien: All applications for asylum will continue to be considered on their individual merits within the terms of the 1951 Untied Nations Convention relating to the Status of Refugees.

Since 1992, exceptional leave to remain has been granted to those who came from Bosnia but did not qualify for refugee status. The situation now, following the Dayton Agreement and subsequent developments, makes that policy unnecessary and the United Nations High Commissioner for Refugees (UNHCR) have recently said that certain categories of persons could reasonably be expected to return to Bosnia.

The Government share UNHCR's hope that many Bosnians will wish to return home voluntarily. However, leave will not be withdrawn from Bosnians already granted exceptional leave to remain on having been refused refugee status, or from former Yugoslavs admitted under the Temporary Protection Programme; and, subject to personal acceptability, extensions of stay will normally be granted.

From today, applications for asylum from Bosnians will be considered on their merits in the normal way. Exceptional leave will not be granted automatically if the application is unsuccessful, but it will be considered in individual cases where there are genuine humanitarian reasons. Those falling within the categories who UNHCR say may reasonably be expected to return home will no longer, in general, be granted exceptional leave to remain and will be expected to return home.

Since August 1992, as a concession, the United Kingdom has not normally sought to return asylum seekers from the former Yugoslavia to safe third countries through which they had transited, if they had spent less than a day or two in each country. Asylum applicants from the States of the former Yugoslavia will now be treated in the same way as those from other countries. This will mean that they will be returned to safe third countries where we are satisfied that the applicant is not a national or citizen of the third country concerned; the applicant would be safe in the third country concerned; and the applicant either had an opportunity to claim asylum in the country concerned or was otherwise admissible there. However, we would not normally remove an applicant where there were immediate family members in the United Kingdom, such as a spouse, a minor child or, if the applicant were a minor child, a parent.

Since December 1992, nationals of the former Yugoslavia have been granted a visa abroad where they could demonstrate that they had a claim to refugee status or had been displaced from their home as a result of the conflict and that they had close family here. In view of the improved situation in the former Yugoslavia, this concession is now being withdrawn and the normal arrangement for obtaining visas to claim refugee status in the United Kingdom will apply.

We have agreed with UNHCR that the temporary protection programmes announced in 1992 and 1995 are to end, although those people already accepted who can go straight into the community will continue to be allowed to take up their places. A total of 2,660 people have been brought to the United Kingdom and given temporary refuge under the two programmes.

Judicial Reviews

Ms Hodge: To ask the Secretary of State for the Home Department how many decisions by his Department were challenged by way of judicial review in each Parliamentary session since 1991–92; and if he will list in how many cases *(a)* the Department's decision was upheld, *(b)* the court found for the applicant, *(c)* the Department submitted to the judgment and *(d)* the Department appealed successfully against the judicial review decision. [7841]

Mr. Straw: The detailed information requested is not readily available. The Home Office has been involved in several thousand judicial review applications since 1991–92. It is estimated that the Department's decision was upheld in more than 90 per cent. of these applications. The table below gives some information on immigration cases, which form the vast majority of all judicial review applicants brought against the Home Office.

			Outcome of cases where leave granted		
Year	*Total number of judicial review applications lodged*	*Total number of judicial applications where leave granted*	*Applications granted*	*Applications dismissed*	*Applications withdrawn*
1991	506	93	33	40	33
1992	544	104	14	27	58
1993	668	111	15	18	61
1994	935	162	68	32	110
1995	1,220	258	99	39	71
1996	1,748	301	131	42	105

The figures relate to the number of applications dealt with at each stage during the year concerned. For any given year, the total number of cases decided will not necessarily tally with the number of applications in which leave was granted, since applications may not be dealt with in the year in which they are lodged.

Ms Hodge: To ask the Secretary of State for the Home Department on how many occasions since 1991–92 legislation has been introduced by the Department *(a)* to remove effects of judicial review decisions and *(b)* to implement them. [7842]

Mr. Straw: The information sought is not kept in a readily retrievable form. It could be obtained only at disproportionate cost.

Murder and Manslaughter

Mr. Matthew Taylor: To ask the Secretary of State for the Home Department how many people were convicted of *(a)* murder and *(b)* manslaughter in each year since 1967 in (i) England and (ii) Wales; and in each case what proportion this represents of the population. [8125]

Mr. Michael: The figures for England and Wales are shown at table A. Figures are not available for England and Wales separately before 1979. Tables B and C show figures for each country for the period 1979–95.

Table A: Persons found guilty of murder and manslaughter offences and number per 1,000,000 population[1]

England and Wales

	Number			*Per 1,000,000 population*[1]		
Year	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*
1967	63	109	49	1.6	2.7	1.2
1968	74	118	44	1.8	2.9	1.1
1969	75	117	47	1.8	2.9	1.2
1970	97	124	66	2.4	3.0	1.6
1971	97	127	68	2.4	3.1	1.7
1972	79	141	76	1.9	3.4	1.8
1973	90	153	80	2.2	3.7	1.9
1974	112	177	79	2.7	4.2	1.9
1975	107	196	66	2.5	4.7	1.6
1976	104	194	92	2.5	4.6	2.2
1977	115	144	82	2.7	3.4	1.9
1978	105	143	79	2.5	3.3	1.8
1979	137	186	92	3.2	4.3	2.1
1980	169	193	78	3.9	4.5	1.8
1981	126	167	84	2.9	3.8	1.9
1982	184	182	90	4.2	4.2	2.1
1983	132	159	84	3.0	3.6	1.9
1984	156	167	72	3.6	3.8	1.6
1985	173	198	65	3.9	4.5	1.5
1986	188	206	52	4.3	4.7	1.2
1987	166	214	50	3.8	4.9	1.1
1988	231	216	53	5.3	4.9	1.2
1989	189	267	40	4.3	6.1	0.9
1990	180	182	22	4.1	4.1	0.5
1991	201	219	21	4.5	4.9	0.5
1992	194	286	14	4.4	6.4	0.3
1993	211	219	30	4.7	4.9	0.7
1994	192	197	50	4.3	4.4	1.1
1995	214	195	44	4.8	4.3	1.0

[1] Population aged 10 and over.

Table B: Persons found guilty of murder and manslaughter offences and number per 1,000,000 population[1]

England[2]

	Number			*Per 1,000,000 population*[1]		
Year	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*
1979	127	176	89	3.1	4.3	2.2
1980	159	188	75	3.9	4.6	1.8
1981	118	159	80	2.9	3.9	2.0
1982	177	173	84	4.3	4.2	2.0
1983	125	152	76	3.0	3.7	1.8
1984	153	159	68	3.7	3.9	1.6
1985	163	194	62	3.9	4.7	1.5
1986	179	194	49	4.3	4.7	1.2
1987	159	207	46	3.8	5.0	1.1
1988	218	212	50	5.3	5.1	1.2
1989	176	254	38	4.2	6.1	0.9
1990	170	175	20	4.1	4.2	0.5
1991	188	206	20	4.5	4.9	0.5
1992	182	274	12	4.3	6.5	0.3
1993	200	207	30	4.7	4.9	0.7
1994	175	180	46	4.1	4.3	1.1
1995	204	184	40	4.8	4.3	0.9

[1] Population aged 10 and over.
[2] Figures for earlier years are not available.

Table C: Persons found guilty of murder and manslaughter offences and number per 1,000,000 population[1]

Wales[2]

	Number			*Per 1,000,000 population*[1]		
Year	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*
1979	10	10	3	4.1	4.1	1.2
1980	10	5	3	4.1	2.0	1.2
1981	8	8	4	3.3	3.3	1.6
1982	7	9	6	2.9	3.7	2.4
1983	7	7	8	2.8	2.8	3.3

Table C: Persons found guilty of murder and manslaughter offences and number per 1,000,000 population[1]

Wales[2]

	Number			Per 1,000,000 population[1]		
Year	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*	*Murder*	*Manslaughter*	*Manslaughter due to diminished responsibility*
1984	3	8	4	1.2	3.2	1.6
1985	10	4	3	4.1	1.6	1.2
1986	9	12	3	3.6	4.9	1.2
1987	7	7	4	2.8	2.8	1.6
1988	13	4	3	5.2	1.6	1.2
1989	13	13	2	5.2	5.2	0.8
1990	10	7	2	4.0	2.8	0.8
1991	13	13	1	5.2	5.2	0.4
1992	12	12	2	4.8	4.8	0.8
1993	11	12	—	4.4	4.8	0.0
1994	17	17	4	6.7	6.7	1.6
1995	10	11	4	3.9	4.3	1.6

[1] Population aged 10 and over.
[2] Figures for earlier years are not available.

Perjury

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department what plans he has to review the law of perjury. [7918]

Mr. Michael: We have no plans to do so at present. Criminal sanctions are already available in appropriate cases. A person knowingly making a false report to the police which tends to show that they have evidence material to police inquiry may be charged with wasting police time and could be liable on conviction to imprisonment up to six months or a fine of £1,000. A person making a statement to a court which is material to the proceedings and which they know to be false may be liable to conviction for perjury and could face a prison sentence for up to seven years. The more serious common law offence of perverting, or attempting to pervert, the course of justice is committed where a person acts or embarks upon a course of conduct which has a tendency to, and is intended to, pervert the course of justice. It is a matter for the prosecuting authorities to decide in any such case whether there is sufficient evidence to mount a prosecution and whether it would be in the public interest. There are around 200 prosecutions for perjury a year, of which a high proportion of cases result in convictions, as indicated in my reply to my hon. Friend on 26 June, *Official Report*, column *574*.

Wrongful Convictions

Mr. McNamara: To ask the Secretary of State for the Home Department, pursuant to his answer of 22 May, *Official Report*, column *111*, how many outstanding claims for financial compensation for individuals found by the Court of Appeal to have been wrongfully convicted have been outstanding for *(a)* more than 12 months, *(b)* more than two years, *(c)* more than three years, *(d)* more than four years and *(e)* more than five years. [7395]

Mr. Michael *[holding answer 14 July 1997]:* There is a total of 149 cases outstanding where, following the reversal of a conviction, a decision to pay compensation has been taken in principle but the claim has yet to be settled. Of these, *(a)* 11 have been outstanding for more than 12 months; *(b)* 102 for more than two years; *(c)* six for more than three years; *(d)* one for more than four years; and *(e)* 16 for more than five years. By far the most significant factors in delaying a settlement in these cases have been either delay by applicants or by their representatives in submitting final claims, or reluctance on their part to accept the offers made.

The figure at *(b)* include 93 claims stemming from the quashing of a high number of drink-driving convictions in Greater Manchester following possible contamination of blood samples.

I regret that in the answer I gave to my hon. Friend on 22 May, a number of these cases were overlooked: at that time the total number outstanding was in fact not 52, as given in my reply, but 106, in 54 of which representations had yet to be received from the claimants. Of the 93 such cases currently outstanding, representations are awaited from 41 and the remaining 52 are being processed.

DUCHY OF LANCASTER

Next Steps Agencies

Dr. Whitehead: To ask the Chancellor of the Duchy of Lancaster how many next steps executive agencies have regional administrative structures; and, of these, how many have boundaries that coincide with those of the Government Offices for the Regions; and if he will make a statement. [8437]

Mr. Kilfoyle: There are 37 executive agencies that have regional administrative structures. Of these, three have boundaries that coincide with the Government Offices for the Regions. They are Social Security Benefits Agency, Social Security Child Support Agency and Social Security Contributions Agency.

Dr. Whitehead: To ask the Chancellor of the Duchy of Lancaster what procedures exist concerning the accountability of next steps executive agencies to Ministers for the process of determining the content of next steps agency framework document; and if he will make a statement. [8349]

Mr. Kilfoyle: It is the responsibility of the departmental Minister to set the framework within which the department's executive agencies are to operate and therefore to determine which matters are to be assigned to a Chief Executive under the terms of an Agency's framework document.

AGRICULTURE, FISHERIES AND FOOD

Soil Erosion (Sheep)

Mrs. Anne Campbell: To ask the Minister of Agriculture, Fisheries and Food what plans he has to minimise the erosional impact of sheep in the hills. [7839]

Mr. Morley: Erosion is a widespread, natural process which may be exacerbated by a range of causes, including land use practice, atmospheric pollution and recreational activities. Earlier this year MAFF commissioned a three year project to identify the precise causes of upland erosion and propose potential solutions. Agri-environment schemes including Environmentally Sensitive Areas, the Moorland Scheme and (in England only) Countryside Stewardship are contributing to the positive maintenance of upland habitats, including through the encouragement of extensive grazing and improved management practices.

Piglets (Tail Docking)

Mr. Mullin: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to secure compliance with the prohibition on the routine tail docking of piglets in the Welfare of Livestock Regulations 1994; and if he will make a statement. [7857]

Mr. Morley: The docking of piglets' tails is not unlawful under the Welfare of Livestock Regulations 1994 where there is evidence on the farm that injuries to animals are otherwise likely to occur. We are currently examining the application of these rules to make sure that the objective of protecting pig welfare is properly met.

Genetically Modified Food

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food what research he has commissioned into *(a)* segregation and *(b)* labelling of genetically modified food; what estimate he has made of the time scale by which *(a)* and *(b)* will be feasible; and if he will make a statement. [8499]

Mr. Rooker: The safety of foods produced using genetic modification is assessed by the Advisory Committee on Novel Foods and Processes and is underpinned by scientific research work carried out by the Department. I see no need for the Government to commission research into the segregation or labelling of genetically modified food. The Government is pressing at European level for all foods which may contain genetically modified ingredients to be clearly labelled whether they have been fully segregated or not.

Mr. Bercow: To ask the Minister of Agriculture, Fisheries and Food what plans he has to require labelling on all foods that contain genetically modified ingredients, informing potential customers to that effect; and if he will make a statement. [8593]

Mr. Rooker: I refer the hon. Member to the reply given to the hon. Member for Lewes (Mr. Baker) on 9 June 1997, *Official Report*, columns *356–57*.

Beef (Intervention Stores)

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food how many tons of beef held in United Kingdom intervention stores have been removed and made inedible. [8638]

Mr. Rooker: A total of 254 tonnes of intervention beef taken into UK intervention stores prior to 27 March 1996 has been disposed of by incineration.

Environmentally Sensitive Areas Report

Mr. Purchase: To ask the Minister of Agriculture, Fisheries and Food what reply he proposes to make to the Second Report of the Agriculture Committee on Environmentally Sensitive Areas and Other Schemes Under the Agri-Environment Regulation (HC 45 (1996–97)), published on 19 March 1997. [9166]

Mr. Morley: The Government has today published its response to the conclusions and recommendations of the Agriculture Select Committee's report on these agri-environment schemes. Copies of the publication have been placed in the Library of the House.

FOREIGN AND COMMONWEALTH AFFAIRS

Immigration

Fiona Mactaggart: To ask the Secretary of State for Foreign and Commonwealth Affairs what instructions have been given to British high commissions and embassies about dealing with appeals and applications for leave to appeal in respect of husbands, wives, fiancés and fiancées who were refused admission under the primary purpose rule; and what assessment he has made of how long such applicants will have to wait. [5526]

Mr. Fatchett *[holding answer 7 July 1997]:* In cases where an application has been refused solely on primary purpose grounds and an appeal is pending the Home Office will remit the papers to the Entry Clearance Officer for issue of entry clearance, subject to there being no change of circumstances. In cases where no appeal was lodged, posts will issue if further representations are made, subject to no change in circumstances. Where applicants have been refused and an appeal dismissed, applicants may re-apply for entry clearance in the normal way.

In fairness to those who have already re-applied, any new re-application resulting from the abolition of the Primary Purpose rule which is submitted by an individual who has already completed the appeal process will take its normal place in the queue. The maximum waiting time laid down for considering settlement re-applicants is nine months, although in practice the actual waiting time is significantly less than the maximum allowed. We shall continue to make every effort to process these re-applications quickly.

Land Mines

Mr. Coaker: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the progress being made towards the banning of the trade in anti-personnel mines; and what has been the reaction of foreign Governments to Her Majesty's Government's activities in this area. [8124]

Mr. Tony Lloyd: The United Kingdom's ban on export of anti-personnel landmines is in place. We are considering the legislation needed to implement bans on transfer, import, production and trade through the UK. We are also considering the circumstances in which movements of anti-personnel landmines might need to continue and will inform Parliament once we have reached conclusions. Any exceptions will end as necessary in 2005 or according to the provisions of an effective international agreement when it comes into force, whichever comes first.

Our new policy on anti-personnel landmines had been widely welcomed.

Russia

Mr. David Atkinson: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to President Yeltsin concerning the law on freedom of conscience and religious associations passed by the Russian Parliament. [8450]

Mr. Doug Henderson: The EU Troika Ambassadors in Moscow carried out a démarche on Mr. Sidorov, the Deputy Foreign Minister, on 9 July. The démarche calls upon President Yeltsin not to allow the law to come into effect in its present form, since it appears to contravene both the Russian Constitution and Russia's OSCE and Council of Europe human rights obligations.

Mr. Sidorov confirmed that the EU démarche would be brought to President Yeltsin's attention.

Venezuela (British Nationals)

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date and at what time the British embassy in Caracas (i) was informed and (ii) informed the Foreign Office in London of the sentence imposed on James Miles and Paul Loseby. [8849]

Mr. Fatchett: The British Embassy in Caracas was informed of Mr. Miles and Mr. Loseby's sentence on 8 July at 21.45 hours BST. The Embassy immediately informed this Department by fax.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received concerning James Miles and Paul Loseby from sources other than the Venezuelan authorities. [8780]

Mr. Fatchett: Consular staff in Caracas have received reports concerning James Miles and Paul Loseby from their lawyers, representatives of the Anglican church and journalists who have visited them.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will obtain a copy of the transcript of the court hearing concerning James Miles and Paul Loseby which took place in Caracas on 2 July. [8850]

Mr. Fatchett: The Venezuelan court process does not involve a "hearing". A copy of the written summary of evidence and statements of the Court's decision has been obtained by this Department and can be made available to my hon. Friend if he so wishes.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date in 1997 the British embassy in Caracas made representations to the Venezuelan Government concerning the cases of Paul Loseby and James Miles. [8779]

Mr. Fatchett: No representations have been made this year. The British Ambassador in Caracas wrote to the Judge on 10 April and 10 July to request medical checks for Paul Loseby.

Amsterdam Treaty

Sir Michael Spicer: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has for the implementation of the provisions of the Amsterdam treaty if it is not ratified by one or more of the member states. [8575]

Mr. Doug Henderson: The Treaty must be ratified by all 15 Member States in accordance with their respective constitutional requirements, before it can come into force. Should any Member State fail to ratify the Treaty, it could not be implemented in its current form.

Mr. David Atkinson: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if the definition of human rights, as referred to in the new article F1 of the treaty on European Union as created by the draft Amsterdam treaty, will be the same as that in the European convention on Human Rights; [8852]

(2) if the definition of human rights, as referred to in the new article F1 of the treaty on European Union as created by the draft Amsterdam treaty, will include *(a)* freedom of information, *(b)* rights to welfare, *(c)* rights for the disabled, *(d)* rights for gays and lesbians, *(e)* employment rights, *(f)* the rights of refugees and asylum seekers, *(g)* health and safety provisions, *(h)* the right to strike and *(i)* social rights; [8854]

(3) what scope there is for the definition of human rights as referred to in the new article F1 of the treaty on European Union as created by the draft Amsterdam treaty to be widened beyond the scope of the European convention on Human Rights; [8853]

(4) what is the definition of human rights as referred to in the new article F1 of the treaty on European Union as created by the draft Amsterdam treaty. [8851]

Mr. Doug Henderson: The reference to human rights and fundamental freedoms in Article F.1 of the Treaty on European Union (TEU) is clarified by Article F.2 as "fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights (ECHR) and Fundamental Freedoms signed in Rome on 4 November 1950 and as they result from the constitutional traditions common to the Member States, as general principles of Community law." The second part of that definition may differ from or go beyond the rights guaranteed by the ECHR. Article F.2 does not by itself confer such rights as freedom of information, welfare rights, rights for disabled people, rights for gays and lesbians, employment rights, rights of refugees and asylum seekers, health and safety provisions, the right to strike or social rights. It requires EU and Community Acts in any of those areas to respect the relevant requirements of the ECHR or other rules on fundamental rights.

Indonesia

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what was the outcome of his Department's investigation into the use of British-made equipment by the Indonesian authorities during recent events in Bandung and Jakarta. [8732]

Mr. Fatchett: We are studying the information available regarding the alleged use of UK supplied water-cannon in Bandung and Jakarta in June and July 1996. No firm conclusions have yet been drawn.

CULTURE, MEDIA AND SPORT

Live Performances

Mrs. Virginia Bottomley: To ask the Secretary of State for Culture, Media and Sport what plans he has to ensure the greater dissemination of live performances from national lottery-funded venues. [8672]

Mr. Banks: We place the highest importance on access to cultural and sporting events. The Government are reviewing all aspects of the National Lottery. A White Paper setting out our proposals in greater depth will be published shortly.

Recreation and Leisure Facilities

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport if he will list the income from recreation and leisure facilities for each local authority in the north-west in the last available year. [8540]

Mr. Banks: The following table details the income from recreation and leisure facilities for each local authority in the north-west for 1995–96, the latest figures available. The table is based on data collected annually from local authorities by the Department of Environment, Transport and the Regions through its Revenue Outturn exercise.

Total income from recreation and leisure facilities 1995–96

£000

Local authority[1]	*Leisure facilities*[2]	*Recreation facilities*[3]	*Total*
Allerdale	94	117	211
Barrow in Furness	158	5	163
Blackburn	323	27	350
Blackpool	1,345	13	1,358
Bolton	865	1,147	2,012
Burnley	565	547	1,112
Bury	228	306	534
Carlisle	3,405	230	3,635
Cheshire	1,033	2,609	3,642
Chester	306	293	599
Chorley	351	27	378
Congleton	1,534	30	1,564
Copeland	665	15	680
Crewe and Nantwich	958	33	991
Cumbria	242	25	267
Eden	111	23	134
Ellesmere Port and Neston	1,158	65	1,223
Fylde	306	48	354
Halton	1,125	984	2,109
Hyndburn	258	149	407
Knowsley	117	6	123
Lancashire	0	246	246
Lancaster	63	35	98
Liverpool	10,024	5,469	15,493

Total income from recreation and leisure facilities 1995–96

£000

Local authority[1]	*Leisure facilities*[2]	*Recreation facilities*[3]	*Total*
Macclesfield	824	165	989
Manchester	2,172	2,101	4,273
Oldham	1,596	1,491	3,087
Pendle	158	26	184
Preston	1,374	136	1,510
Ribble Valley	136	55	191
Rochdale	1,253	226	1,479
Rossendale	705	55	760
Salford	1,414	267	1,681
Sefton	631	1,098	1,729
South Lakeland	824	164	988
South Ribble	202	41	243
St. Helens	2,567	167	2,734
Stockport	1,828	414	2,242
Tameside	617	229	846
Trafford	788	210	998
Vale Royal	359	602	961
Warrington	111	2,426	2,537
West Lancashire	527	571	1,098
Wigan	978	1,266	2,244
Wirral	2,545	910	3,455
Wyre	93	198	291

[1] Local authorities within the area of the Government Office for the North West and the Government Office for Merseyside.

[2] Leisure facilities defined as: sports and physical recreation centres; golf courses; playing fields and sports grounds; swimming pools; and miscellaneous recreation centres.

[3] Recreation facilities defined as: national parks; country parks; and parks and open spaces.

Broadcasting

Mr. Sheerman: To ask the Secretary of State for Culture, Media and Sport what plans he has to ensure diversity, choice and quality in the provision of radio programming in the independent broadcasting sector. [8687]

Mr. Fisher: The Radio Authority is statutorily responsible for licensing and regulating independent radio services in the UK. The Radio Authority is already required under the Broadcasting Act 1990 to do all that it can to secure the provision within the United Kingdom of a diversity of national services, each catering for the tastes and interests different from those catered for by others, and to secure a range and diversity of local services. The Authority is also required under the 1990 Act to facilitate the provision of licensed services which (taken as a whole) are of high quality.

The substantial increase in the number of independent stations presided over by the Authority over the past six years has fostered diversity and choice. In my hon. Friend's constituency, for example, there are now three national and four local independent stations (including the newly awarded small-scale local licence for Huddersfield), compared with none and two respectively. Positive quality is not so readily measured, but worthwhile radio programming is not confined to the BBC; audience figures suggest that the public is satisfied with the output of the independent sector and the Authority actively monitors programming to hold broadcasters to their promises of performance and to maintain standards.

Film

Mrs. Virginia Bottomley: To ask the Secretary of State for Culture, Media and Sport how much money has been announced for film from the national lottery so far; and how much is it expected will be allocated to film by 2002. [8016]

Mr. Tom Clarke: Original estimates in 1995 were that around £100 million would be available for film production, distribution and cinema improvements across the UK by 2000. So far almost £90 million has been awarded to film and cinema projects. In addition, over £90 million has been allocated over the next six years to three National Lottery film franchises.

Mr. Forth: To ask the Secretary of State for Culture, Media and Sport if he will list for the Review of the British Film Industry *(a)* the expected completion date and *(b)* the cost of conducting the review. [8238]

Mr. Clarke: The Film Review Group is planning to publish its report early next year, and will continue to meet thereafter to discuss any follow-up. There is no fixed budget or costing for the review; the Review Group will be supported by officials from my Department, and as required, resources from DCMS research and consultancy budgets.

Hotel Rating

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what advice he has given organisations introducing hotel ratings systems on the merits of a quality versus a facilities-based system. [8168]

Mr. Tom Clarke *[holding answer 14 July 1997]:* It is for the organisations concerned to make their own decisions. my view is that facilities, services and quality are all important and should increase at each level. I therefore welcome the joint ETB/AA/RAC scheme announced in February, which will rate hotels in this way.

INTERNATIONAL DEVELOPMENT

Indonesia

Ann Clwyd: To ask the Secretary of State for International Development, pursuant to her answer of 9 June, *Official Report* columns *293–96,* on aid and trade projects with Indonesia, what is the location of the 150/1500kv substation; what type of substation it is; who are the primary beneficiaries of the project; and what are the mixed credits involved. [8766]

Clare Short: The power transmission substations for both 150kV and 500kV supplies are all sited on Java in the following locations:

New Tangareng, Cenkareng, Bogor Baru, Sentul, Pondok Pinang, Jombang, Rancakasumba, Cikasungka, Bandung Selatan, Margahayu, New Padalarang, Grati, Surabaya Selatan and Surabaya Selatan.

The primary beneficiaries are domestic, commercial, industrial and public sector electricity consumers. Mixed credit financing for a sum of up to £15,516,493, representing 35 per cent. of the UK content of the project, has been made available in support of a contract awarded to GEC Alsthom-Cegelec Substation Projects Limited.

Ann Clwyd: To ask the Secretary of State for International Development if she will list each aid project currently funded by her Department in Indonesia, indicating *(a)* the type of agreement, *(b)* the allocated expenditure, *(c)* the location, *(d)* the sector involved and *(e)* the expected completion date. [8762]

Clare Short: Details of the projects in Indonesia currently funded by the Department for International Development are set out in the following tables.

Aid and Trade provision projects

Project	*Type of agreement*	*Allocated expenditure (£000)*	*Location*	*Sector*	*Expected completion date*
Citayam/Cibinong Railway	Soft loan	20,105	Java	Transport	1999
150/500kV Substations	Mixed credit	15,516	Java	Power	1998
Samarinda Power Station	Soft loan	12,570	East Kalimantan	Power	1998
Samarinda Transmission Line	Soft loan	1,600	East Kalimantan	Power	1998
Samarinda Monitoring	ATP/TC	1,260	East Kalimantan	Power	1998
Piston Engine Laboratory Research	Soft loan	4,640	West Java	Science and technology	1999
Science and Technology Equipment	Soft loan	4,340	West and Central Java	Education	1998
Science and Technology Equipment	ATP/TC	550	West and Central Java	Education	1999

Technical co-operation projects

Project	*Type of Agreement*	*Allocated expenditure (£000)*	*Location*	*Sector*	*Expected completion date*
Provincial Forest Management	Grant	3,060	Jakarta Sumatra alimantan	Forestry	1997
End Use Energy Efficiency	Grant	1,350	Jakarta	Energy	1999
Mini Hydro Project	Grant	6,250	Sulawesi Irian Jaya	Energy	1997
Environmental Biotechnology	Grant	1,840	Jakarta	Environment	1998
BAPADEL Groundwater Monitoring	Grant	531	Java	Environment	1999
LAN Communication Skills	Grant	1,855	Java	Education	1997
Education Project Management Training	Grant	450	Jakarta	Education	2000
Curriculum Capacity	Grant	800	Jakarta	Education	2000
Regional Finance	Grant	1,652	Jakarta	Public Administration	1998

Technical co-operation projects

Project	*Type of Agreement*	*Allocated expenditure (£000)*	*Location*	*Sector*	*Expected completion date*
Civil Service Training	Grant	670	Jakarta	Public Administration	2000
Animal Health	Grant	862	Java	Natural Resources	1999
Decentralised Livestock Services	Grant	4,393	Java	Natural Resources	1999

Completed TC projects with expenditure in 1997–98

Project	*Type of Agreement*	*Allocated expenditure (£000)*	*Location*	*Sector*	*Completion date*
Forest Sector Review	Grant	72	Jakarta Sumatra Kalimantan	Forestry	November 1996 (residual invoices awaited: £16,000)
Environmental Monitoring	Grant	410	Jakarta	Environment	December 1996 (carry over training costs: £9,000)
Police Management Training	Grant	1,125	Jakarta	Public Administration	March 1996 (carry over training costs: £10,000)
LEMIGAS	Grant	4,951	Jakarta	Energy	May 1997
Tropical Forest Management	Grant	4,143	Jakarta	Forestry	June 1997
Forest Research	Grant	3,100	Kalimantan	Forestry	June 1997
Forest Training	Grant	3,587	Kalimantan	Forestry	June 1997
Forest Conservation	Grant	3,804	Kalimantan	Forestry	June 1997

Ann Clwyd: To ask the Secretary of State for International Development, pursuant to her answer of 9 June, *Official Report,* columns *293–96,* on aid and trade projects with Indonesia if she will list the location of each project listed. [8761]

Clare Short: The locations of the aid and trade projects listed in my response of 9 June, *Official Report,* columns *293–96,* are set out in the following table.

The locations by province of the bridges funded under Phase II of the Steel Bridging project, were listed in a previous reply (Official Report of 15 June 1995, column 632).

The power transmission substations for both 150kV and 500kV supplies are all sited on Java in the following locations:

New Tangareng, Cenkareng, Bogor Baru, Sentul, Pondok Pinang, Jombang, Rancakasumba, Cikasungka, Bandung Selatan, Margahayu, New Padalarang, Grati, Surabaya Selatan and Surabaya Selatan.

I refer my hon. Friend to the answer that I gave to her earlier question (8766).

Project	*Location*
Auto Industry Development Study	Jakarta
Western Universities Equipment	Sumatra/Kalimantan
Steel Bridging II	Various: See Hansard 15 June 1995, column 632
Flight Simulator	Surabaya, Java
Bali and Medan Airport Security	Bali/Sumatra
Jambi Power Station	Jambi, Sumatra
Cikampek—Padalarang Toll Road Design study	West Java
Western Universities Training Centre	Sumatra
Flight Simulator Consultancy	Surabaya, Java
Samarinda Power Station	East Kalimantan
Samarinda Transmission Line	East Kalimantan
150/500KV Substations Project	Various: See text—above
Piston Engines Research Laboratory	West Java
Science and Technology Project, Java Universities	West and Central Java

Cambodia

Mr. Goodlad: To ask the Secretary of State for International Development what aid programmes for Cambodia are currently in place; and what are her future plans for aid to Cambodia. [8699]

Clare Short *[holding answer 15 July 1997]:* Under our bilateral development programme, which will be worth some £3 million in 1997–98, we are supporting projects in health, education, urban poverty and landmine clearance.

In health, we are financing four projects designed to improve Cambodian capacity to deliver basic health services to poorer people, improve reproductive health especially for women, reduce malaria and slow the spread of HIV and other sexually transmitted diseases. In education, we are helping to improve the teaching of English in secondary schools and funding the preparation of a master plan for teacher training. In urban poverty, we are funding a UN project designed to improve physical and social conditions for poor people in Phnom Penh. We are also contributing with other donors to a UN Trust Fund which finances landmine clearance.

In addition, under our Joint Funding Scheme, we are helping to finance the programmes of a number of British Non-Governmental Organisations involved in areas such as health, community development, landmine clearance and support for landmine victims.

We are obviously concerned by recent events in Cambodia and will be monitoring the situation there closely through the British Embassy. The FCO has advised UK nationals to leave Cambodia, but our understanding is that most UK aid staff intend to stay. Given that our programme is designed to help poorer people in Cambodia, we propose to maintain it.

As the UK delegation at the recent Cambodia Consultative Group meeting in Paris made clear, future commitments of government to government assistance will depend not only on political stability, but also on the Cambodian Government's performance on the rule of law, transparent financial management and forestry policy. A key factor will be progress towards free and fair democratic elections scheduled for 1998.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for International Development what new plans she has to introduce cuts and savings in her Department as a result of the effect on her Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if she will make a statement. [8314]

Clare Short *[holding answer 14 July 1997]:* All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

Mr. Bruce: To ask the Secretary of State for International Development if, following the recent Budget, she will give her estimate of the total real level of her Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if she will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if she will make a statement. [8313]

Clare Short *[holding answer 14 July 1997]:* The figures requested for my Department's spending plans within the Control Total are as follows: *(a)* £2,071 million, *(b)* £2,140 million, (1) £2,120 million, (2) £2,177 million.

The figures for 1997–98 have not been adjusted to take account of the Summer Supplementary Estimates presented to Parliament on 8 July but not yet approved.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for International Development (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if she will introduce a register of such meetings; [8084]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have met commercial lobbyists to discuss matters relating to the business of her Department; and if she will introduce a register of such meetings. [8083]

Clare Short: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn), *Official Report*, 2 June 1997, column 99, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. The Department keeps normal records of such meetings. It is not practicable to distinguish particular groups as lobbyists, nor is it practicable to keep a register of such meetings.

Know How Consultancies

Mr. Alasdair Morgan: To ask the Secretary of State for International Development what was the value of Know How consultancy contracts in each year since the scheme was established; and what value of such contracts was awarded in each year to companies headquartered in Scotland. [8286]

Clare Short *[holding answer 15 July 1997]:* Information on Know How consultancy contracts awarded before 1992–93 is not centrally recorded and could be provided only at disproportionate cost. The value of such contracts let in the United Kingdom from 1992–93 was:

Financial year	*Total value* £
1992–93	27,709,426
1993–94	55,965,059
1994–95	59,220,754
1995–96	49,322,326
1996–97	85,072,905
1997–98 (to date)	16,929,706

Contracts awarded to companies with headquarters in Scotland are not recorded separately.

Development Assistance

Mr. Blunt: To ask the Secretary of State for International Development if it is the Government's policy that the United Kingdom should continue to give development assistance to Commonwealth countries which are in clear breach of the Harare Declaration. [8581]

Clare Short *[holding answer 15 July 1997]:* The UK Government's objective is the achievement of human rights for all people. We welcome and support the Commonwealth's commitment to the high standards set out in the Harare Declaration. A government's commitment to human rights will therefore be taken into account when decisions are made on development cooperation. My department will focus in its main efforts on promoting the rights essential for eliminating poverty and for achieving sustainable livelihoods and dignity for disadvantaged people in poor countries. This will frequently include aspects of good government and improved institutions. We will work in partnership with government, NGOs and civil society.

Kenya

Mr. Blunt: To ask the Secretary of State for International Development how much bilateral development assistance her Department plans to spend in the Republic of Kenya in the years 1997–98 and 1998—99. [8580]

Clare Short *[holding answer 15 July 1997]:* Total bilateral aid expenditure is currently expected to be about £30 million in the 1997–98 financial year. It is not possible to predict the size of the programme for 1998–99 in advance of the annual Resource Allocation Round. But the level of assistance will take account of our current policy review of international development and the extent to which Britain can work in partnership with the Government of Kenya, as well as the private sector and NGOs, to reduce poverty in Kenya.

Mr. Blunt: To ask the Secretary of State for International Development what changes she plans in her policy on giving development assistance to the Republic of Kenya following the recent suppression of democracy activists. [8582]

Clare Short *[holding answer 15 July 1997]:* The Government has made clear its concern about recent events in Kenya and its wish to see free and fair elections.

We will continue to urge the Government of Kenya to promote policies which demonstrate a clear commitment to the reduction of poverty. Our future policies will reflect the extent to which the Kenya Government is able to demonstrate a willingness to pursue pro-poor economic growth, more accountable government and greater respect of human rights and the rule of law.

Organic Produce

Mr. Martyn Jones: To ask the Secretary of State for International Development what assessment she has made of the role of organic produce in assisting *(a)* Caribbean countries and *(b)* other developing countries to increase their international trade; and if she will make a statement. [8735]

Clare Short: I am keen to explore the potential for organic production in developing countries. My Department has seconded an agricultural specialist to the Delegation of the European Commission in the Eastern Caribbean to serve as Donor Co-ordinator to the Banana Industry. The Co-ordinator is working with Government and banana industry representatives on how the Windward Islands might best respond to any proposed erosion of the preferential trade agreement for bananas with the European Union. This agreement comes to an end in 2002. A range of options are being considered for improving the quality of Windward Islands' bananas and to identify niche markets.

Some Caribbean producers are beginning to take an interest in organic exports. The European Commission is helping farmers in the Windward Islands to consider the potential of organic production.

My Department recently commissioned a study from the Henry Doubleday Research Association and Coventry University on the potential for further development of organic agriculture in sub-Saharan Africa. This study concluded that in the short-term there is limited scope for small-scale farmers in Kenya and Ghana to export organic produce. I will place a copy of this report in the Library of the House once it is finalised.

There is, however, considerable interest in adopting individual organic technologies which conserve resources. But, with the exception of some non-perishable crops such as coffee and tea, it would appear that, without some assistance, few resource-poor farmers will be able, in the short to medium-term, to achieve international standards of organic accreditation.

Through our Sustainable Agriculture Strategy my Department will work with poor farmers to develop and use technologies which conserve resources and minimise the use of agricultural pesticides. Where this is appropriate we will also help groups of farmers to achieve organic accreditation, thus increasing their incomes by exporting produce or selling to urban centres.

SOCIAL SECURITY

Travel-to-work Costs

Mr. Alan Simpson: To ask the Secretary of State for Social Security what is her estimate of *(a)* the cost to her Department and *(b)* the numbers gaining, if the costs of travel-to-work were disregarded in full for claimants of (i) income support, (ii) jobseeker's allowance, (iii) housing benefit and (iv) council tax benefit; and what is her estimate of the costs and numbers gaining if such costs were subject to a taper of (X) 70 per cent. and (Y) 50 per cent. for costs exceeding the level of the disregard. [2967]

Mr. Keith Bradley: Our objective is to reduce poverty and welfare dependency and to promote work incentives. One of our first steps will be to help people off welfare and into work.

The information is in the table.

Disregarding travel-to-work costs in calculating earnings

Benefit	*All costs*		*70 per cent. taper*		*50 per cent. taper*	
	Costs £ million	*Gainers*	*Cost £ million*	*Gainers*	*Cost £ million*	*Gainers*
Income support/income-based jobseeker's allowance cases	15	80,000	10	80,000	[1]—	80,000
Contribution-based jobseeker's allowance only cases	[1]—	10,000	[1]—	10,000	[1]—	10,000
Housing benefit	70	160,000	50	160,000	35	160,000
Council tax benefit	20	120,000	15	120,000	10	110,000

[1] Denotes negligible cost i.e. less than £2.5 million.

1. Modelled on the 1994–95 Family Resources Survey (FRS) uprated to 1997–98 benefit levels and earnings.

2. Costs are rounded to the nearest £5 million, gainers to the nearest 10,000.

3. The estimate for income support and jobseeker's allowance (JSA) has been combined due to difficulties in separately identifying the unemployed not in receipt of contributory benefit on the FRS.

4. This is a deadweight estimate: there is insufficient information on which to estimate possible behavioural responses.

5. A number of benefit units on family credit would be better off on income support/JSA as a result of this change. It is assumed that they do move onto out of work benefits, and the IS/JSA(Income Based) cost is net of the family credit saving.

6. No figures are collected directly on the cost of running cars and motorcycles. Instead, costs are estimated using mileage rates (42 pence per mile for cars and nine pence per mile for motorcycles). Outlying cases have been ignored.

Pension Age

Mr. Nigel Jones: To ask the Secretary of State for Social Security what proportion of women aged 60 years in each of the last 10 years for which figures are available have ceased working and started to draw their state pension. [3847]

Mr. Denham: We will retain the Basic State Pension as the foundation of pension provision, increasing it at least in line with prices and we will review the central areas of insecurity for older people.

Information on women who were working prior to drawing their State Pension at State Pension Age and who then stopped working, is only available for those who were employed earners paying Class 1 National Insurance contributions (NICs) during the tax year in which they reached 60. This information, which excludes women who were self-employed or earning less than the lower earnings limit for paying NI contributions (currently £62.00), is used to derive the proportions provided in the table.

Year	*Proportion of women aged 60 who have been awarded Retirement Pension and have paid Class 1 NICs in the tax year of their 60th birthday prior to that date, and whose employers have not subsequently paid any Category C NI contributions in respect of them during the remainder of that same year (per cent.)*
1994–95	9
1993–94	9
1992–93	8
1991–92	8
1990–91	7
1989–90	8
1988–89	7
1987–88	8
1986–87	7
1985–86	8

1. The figures are for Great Britain and are derived from the 1 per cent. sample of National Insurance Records analysed using the February 1996 version of the Lifetime Labour Market Database.
2. Category C contributions are paid by employers and are recorded on the P14 End of Year Return when an employee has no liability due to reaching State Pension Age. They may also be paid where people have multiple employments and earnings are expected to exceed the Upper Earnings Limit for National Insurance, thus avoiding a rebate of contributions. It has been assumed that for all women in the tax year of their 60th birthday, Class C contributions arise after that birthday and therefore signal that the woman has not retired reaching State Pension Age.
3. The percentages in the table are of the estimated resident population for each year supplied by the Population Estimates Unit, OPCS.

Mr. Nigel Jones: To ask the Secretary of State for Social Security what estimate she has made of the cost per year of additional *(a)* income support, *(b)* housing benefit and *(c)* council tax relief if the pension age of women were raised to 65 years. [3846]

Mr. Bradley: The policies of the previous administration have created real poverty, growing inequality and widespread insecurity for pensioners. We believe that all pensioners should share fairly in the increasing prosperity of the nation.

The information is not available in the format requested. Such information as is available is in the table.

Year	*Income related benefit costs £ million*
2025	500
2035	300

1. Costs are estimated using the approach discussed in Appendix 1 of the discussion document Options for Equality in State Pension Age CM1723, adjusted to 1994–95 price levels and a phasing profile beginning in 2010 taking two years to achieve each single year of State Pension Age change.
2. As in the discussion document Options for Equality in State Pension Age Cm1723, estimates are provided for 2025, when the financial effects are likely to be at their maximum, and 2035 when the estimates should provide a reasonable representative indicator of the scale of the effects up to 2050.
3. Estimates are subject to considerable uncertainty and are rounded to the nearest £100 million. They should be interpreted as broad indicators rather than precise estimates.

Income Support and Jobseeker's Allowance

Mr. Pond: To ask the Secretary of State for Social Security what estimate she has made of the cost, in the latest year for which figures are available, of introducing an extension period for the payment of income support and jobseeker's allowance mortgage interest, equivalent to the scheme for extended payments of housing benefit and council tax benefit for the newly employed. [5445]

Mr. Keith Bradley: The estimated cost of introducing an extension period for the payment of mortgage interest, in line with current provisions available in both housing benefit and council tax benefit for the newly employed, is £4 million a year.

Earnings Disregards

Mr. Pond: To ask the Secretary of State for Social Security what would be the current value of the earnings disregards which apply for housing benefit, income support and income-related benefit for the unemployed if they had been uprated in line with these benefits since 1988. [5443]

Mr. Keith Bradley: Our objective is to reduce poverty and welfare dependency and to promote work incentives. We will develop a system that supports work, savings and honesty.

The information requested is in the table.

Benefit	*Rate at introduction*	*Date of introduction*	*Current rate*	*Value if increased in line with benefit since date introduced*
Income support	£5	April 1988	£5	£7.35
	£10	October 1996	£10	£10.25
	£15	April 1988	£15	£22.05
Income-based jobseeker's allowance	£5	October 1996	£5	£5.15
	£10	October 1996	£10	£10.25
	£15	October 1996	£15	£15.40

Benefit	Rate at introduction	Date of introduction	Current rate	Value if increased in line with benefit since date introduced
Housing benefit	£5	April 1988	£5	£7.35
	£10	April 1988	£10	£14.75
	£15	April 1988	£15	£22.05
	£15	April 1988	£25	£22.05
Housing benefit Child Care disregard	£40	October 1994	£60	£43.05

1. The Retail Price Index (all items) less rent, local taxes and Mortgage Interest payments as published by the Office of National Statistics, has been used in this table.
2. Jobseeker's allowance replaced income support and unemployment benefit as the main benefit for the unemployed in October 1996.
3. The standard disregard is £5 a week, but a higher £15 disregard is available to the following groups:—lone parents entitled to the lone parent premium; disabled people entitled to the disability premium; certain people aged over 60; carers entitled to the carer premium; members of certain specialist groups eg: part-time firefighters and reservists.
4. Couples have the first £10 of their earnings disregarded.
5. The £15 disregard in housing benefit was increased for lone parents to £25 in October 1990.
6. The £40 child care disregard in housing benefit was increased to £60 in April 1996. From April 1998 it will be increased further to a maximum of £100 a week where there are two or more children in the family.

Housing Benefit

Mr. Flynn: To ask the Secretary of State for Social Security what is the maximum amount of housing benefit available to single people under the age of 25 years in each local authority area. [8806]

Mr. Keith Bradley: Our objective is to reduce poverty and welfare dependency and to promote work incentives. One of our first steps is to focus on helping 250,000 young people off welfare and into work.

The information is not available in the format requested. Such information as is available is set out in the table.

Housing benefit recipients who are single and aged under 25, average weekly housing benefit by region and Great Britain—May 1995

	Average weekly housing benefit (£)
Great Britain	45.73
North	38.77
Yorkshire and Humberside	37.56
East Midlands	40.96
East Anglia	44.72
South East (excluding London)	53.46
London	59.46
South West	45.91
West Midlands	39.28
North West	43.91
Wales	40.07
Scotland	37.38

Source:
Housing Benefit Management Information System, annual 1 per cent. sample enquiries taken at the end of May 1995.
Notes:
1. Average amounts are rounded to the nearest 1 pence.
2. Analysis by local authority area is not available from our 1 per cent. sample enquiries.

Mr. Flynn: To ask the Secretary of State for Social Security how many people under the age of 25 years have had their housing benefit reduced as a result of the limitation of housing benefit to the single room rent; and what proportion of these have been *(a)* male and *(b)* female. [8805]

Mr. Bradley: The information is not yet available. However, we are monitoring the impact of the Single Room Rent, by collecting information from a sample of local authorities on an on-going basis, and data from that exercise are currently being analysed. The number of under 25s who have had their Housing Benefit reduced as a result of the Single Room Rent will be available from the Housing Benefit/Council Tax Benefit Summary Statistics 1997 which is due to be published in August. The summary will be available in the Library, but the split between males and females will not be available.

Mr. Flynn: To ask the Secretary of State for Social Security what assessment she has made of the impact of the limitation of housing benefit to single room rent for single people under the age of 25 years; and what plans she has to end the limitation. [8807]

Mr. Bradley: These measures were introduced by the previous Government. We have, however, announced our intention to revoke the extension of the single room rent to people aged between 25 and 59. We are gathering evidence on the impact of the single room rent for the under 25s. Information is being collected from a sample of local authorities on an on-going basis and officials are meeting local authorities, advice agencies and rent officers to obtain early, direct information on the impact of the changes. A survey has also been commissioned to obtain information on Housing Benefit and the private rented sector, the results of which are expected next summer.

We will give the results careful consideration.

Mr. Flynn: To ask the Secretary of State for Social Security if she plans to implement the limitation of housing benefit to single room rent for single people aged 25–60 years. [8799]

Mr. Bradley: I refer the hon. Member to the reply given by my right hon. Friend the Secretary of State to the hon. Member for Glasgow Pollock (Mr. Davidson) on 18 June, *Official Report*, columns *215–16*.

Benefits Agency

Mr. Rooney: To ask the Secretary of State for Social Security (1) what is her Department's policy on Benefit Agency staff giving their name during telephone calls to *(a)* hon. Members and *(b)* claimants; and when this was last revised; [8887]

(2) what advice is given to Benefit Agency staff for giving information on constituency cases to hon. Members *(a)* over the telephone and *(b)* in writing; when this was last revised; and to what grade of staff it is disseminated. [8889]

Mr. Field: One of our key aims is to improve the service provided to claimants and other customers. We want a service that is open and accessible. Queries on Benefits Agency operational matters are the responsibility of Peter Mathison, Chief Executive of the Benefits Agency. I have asked him to write directly to the hon. Member and for his reply to be published with the answer.

Letter from Peter Mathison to Mr. Terry Rooney, dated 15 July 1997:

The Secretary of State for Social Security has asked me to provide you with some further details following the answers to your recent Parliamentary Questions asking about the policy on Benefits Agency staff giving their name during telephone calls to honourable Members and claimants and about Benefit Agency staff giving information on constituency cases to honourable members over the telephone and in writing.

The Benefits Agency (BA) has a clear policy on the giving of names to any customer who contacts us by telephone, in person, or in writing and this is published in the BA Conditions of Service Manual. When dealing with honourable Members and members of the public, staff are required to give their name over the telephone on request. There has been no revision of this policy since its introduction in June 1992. We propose to include this service commitment in our revised BA Customer Charter which is due for publication later this year.

The BA Parliamentary Guide provides advice to staff on giving information on constituency cases to honourable Members. Copies of the relevant extracts are attached and have been placed in the Library. The Parliamentary Guide was revised in March 1997 and is available to all staff.

Guidance is also provided to staff on the disclosure of information to representatives acting on behalf of benefit customers, and includes reference to honourable Members. Where enquiries are received by telephone, the enquirer's name and telephone number should be taken so that their identity can be confirmed before any information is disclosed. Written requests for information from customer representatives normally include the customer's written consent, although in constituency cases it should be assumed that the customer has given their consent for information to be disclosed by the Benefits Agency. This guidance was last revised in 1994, and is available to all staff.

I hope you find this reply helpful.

Mr. Rooney: To ask the Secretary of State for Social Security what are the staff numbers for each Benefit Agency local office broken down into *(a)* temporary staff, *(b)* permanent staff with less than five years service, *(c)* permanent staff with five to 10 years service, *(d)* permanent staff with 10 to 15 years service and *(e)* permanent staff with over 15 years service. [8890]

Mr. Field: An overall aim of the Government is to streamline services to provide better, simpler and more efficient services to clients. As the staffing of the Benefits Agency is a matter for Peter Mathison, its Chief Executive, I have asked him to write directly to the hon. Member and for his reply to be published with the answer.

Letter from Peter Mathison to Mr. Terry Rooney, dated 15 July 1997:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking for Benefits Agency staff numbers for each Benefits Agency office.

The information is not available in the format requested and could only be obtained at disproportionate cost. However information is available broken down by Benefits Agency Area Directorate and is shown in the attached tables.

I hope you find this reply helpful.

Permanent and temporary staff with less than five years service by Benefits Agency area directorate

Area directorate	*Temporary staff*	*Permanent staff*
1. East London and Anglia	544	700
2. Chilterns	437	782
3. London South (South West)	743	1,421
4. West Country	420	651
5. Mercia	352	653
6. West Midlands	234	533
7. Wales	308	496
8. North-west Coast (Liverpool)	398	782
9. Greater Manchester	201	744
10. Yorkshire	406	684
11. Tyne Tees	153	391
12. West of Scotland	453	445
13. East of Scotland	401	471
Total	5,050	8,753

Figures are provisional and subject to change.

Permanent staff with five to ten years service by Benefits Agency area directorate

Area directorate	*Permanent staff*
1. East London and Anglia	917
2. Chilterns	942
3. London South (South-west)	1,316
4. West Country	597
5. Mercia	532
6. West Midlands	678
7. Wales	425
8. North-west Coast (Liverpool)	731
9. Greater Manchester	543
10. Yorkshire	631
11. Tyne Tees	468
12. West of Scotland	506
13. East of Scotland	336
Total	8,622

Figures are provisional and subject to change.

Permanent staff with between 10 to 15 years service by Benefits Agency area directorate

Area directorate	*Permanent staff*
1. East London and Anglia	1,148
2. Chilterns	1,163
3. London South (South West)	1,657
4. West Country	830
5. Mercia	1,029
6. West Midlands	1,127
7. Wales	802
8. North-west Coast (Liverpool)	1,024
9. Greater Manchester	860
10. Yorkshire	1,298
11. Tyne Tees	790
12. West of Scotland	852
13. East of Scotland	716
Total	13,296

Figures are provisional and subject to change.

Staff with over 15 years service by Benefits Agency area directorate

Area directorate	*Permanent staff*
1. East London and Anglia	1,573
2. Chilterns	1,703
3. London South (South West)	2,579
4. West Country	1,852
5. Mercia	2,281
6. West Midlands	2,002
7. Wales	1,865
8. North-west Coast (Liverpool)	1,957
9. Greater Manchester	1,972
10. Yorkshire	2,406
11. Tyne Tees	1,981
12. West of Scotland	1,623
13. East of Scotland	1,669
Total	25,463

Figures are provisional and subject to change.

Total staff in Benefits Agency area directorates

	Total	*Percentage*
Temporary staff	5,050	8.3
Permanent staff with less than 5 years service	8,753	14.3
Permanent staff with 5–10 years service	8,622	14.1
Permanent staff with 10–15 years service	13,296	21.7
Permanent staff with over 15 years service	25,463	41.6
Total	61,184	—

Figures are provisional and subject to change.

Housing Costs

Mr. Flynn: To ask the Secretary of State for Social Security what assessment she has made of the impact of *(a)* single people's and *(b)* lone parents' ability to pay their housing costs in their decision to (i) take up work and (ii) increase their hours of work; and what plans she has to take action on this issue. [8808]

Mr. Bradley: We recognise that concern about housing costs is a factor which single people and lone parents may take into account in decisions about taking up work or increasing their working hours.

We believe that work is the best form of welfare for people of working age. Our objective is to reduce poverty and welfare dependency and to promote work incentives. We have appointed Martin Taylor, Chief Executive of Barclays plc, to spearhead a Whitehall task force to consider these issues and make recommendations.

Jobseeker's Allowance

Mr. Pickthall: To ask the Secretary of State for Social Security if he will make a statement about the future of the jobseeker's allowance. [8592]

Mr. Bradley: The Government believes that work is the best form of welfare for people of working age. Our Welfare to Work objectives are to provide work incentives, to reduce poverty and welfare dependency and to strike a new balance between responsibilities and rights. A programme of monitoring and evaluation is under way to enable us to ensure that jobseeker's allowance contributes to achieving our objectives.

WALES

Children (Adult Wards)

10. **Ms Julie Morgan:** To ask the Secretary of State for Wales how many children aged under 16 years were nursed in adult wards in hospitals in Wales during the last 12 months. [7004]

Mr. Win Griffiths: The Welsh Office does not collect this information centrally. However, it is our policy that children should not be nursed on adult wards and health authorities are required to frame policies to ensure that adequate facilities are developed to meet their needs.

Green Pound

11. **Mr. Livsey:** To ask the Secretary of State for Wales if he will introduce a compensation package to offset revaluations of the green pound during 1997. [7005]

Mr. Win Griffiths: Paying this aid would have very significant implications for UK public expenditure. We are considering very carefully the case made by interested parties for payment, but we do have until 31 January 1998 to decide on the matter.

Welsh Assembly

12. **Mr. Prior:** To ask the Secretary of State for Wales what estimate he has made of the additional public expenditure needed each year to fund a Welsh Assembly. [7006]

Mr. Ron Davies: The White Paper, which will be published on 22 July, will include costings of our proposals.

13. **Mr. Burns:** To ask the Secretary of State for Wales what consultation exercise he plans in respect of the establishment of an assembly for Wales. [7007]

Mr. Davies: A referendum in September.

15. **Mr Swayne:** To ask the Secretary of State for Wales what representations he has received from residents in south Wales relating to an assembly for Wales. [7009]

Mr. Davies: My hon. Friends and I have received a number of representations from people all over Wales, both in favour and against the establishment of a Welsh Assembly.

17. **Mr. Llew Smith:** To ask the Secretary of State for Wales what estimate he has made of the total cost to be incurred in the research, preparation, publication and distribution of the summary of the White Paper on a Welsh Assembly. [7011]

Mr. Davies: The work has not yet been completed and our estimated budget remains commercially confidential at this stage. However, we estimate that the total costs for information and publicity associated with the Referendum will be £700,000. Parliamentary approval for this expenditure will be sought in a Supplementary Estimate for Class XIV, vote 3. Pending that approval, urgent expenditure estimated at £700,000 is being met by a repayable advance from the Contingencies Fund.

19. **Dr. Julian Lewis:** To ask the Secretary of State for Wales if he will invite the Prime Minister to accompany him during his campaign in respect of the referendum on a Welsh Assembly. [7013]

Mr. Davies: Yes.

25. **Sir Teddy Taylor:** To ask the Secretary of State for Wales what representations he has received on the annual cost of the proposed Welsh Assembly; and if he will make a statement. [7019]

Mr. Davies: My Hon. Friends and I have received representations, both for and against a Welsh Assembly, which have referred to its annual costs.

27. **Mr. Chope:** To ask the Secretary of State for Wales what plans he has in respect of the number of hon. Members from Wales who will sit at Westminster if an assembly is established. [7021]

Mr. Davies: None. Hon. Members representing Welsh constituencies will continue to be involved in considering new legislation that applies to Wales, and to represent their constituents on all matters.

Miss McIntosh: To ask the Secretary of State for Wales what estimate he has made of the number of jobs which will be created as a result of the establishment of a Welsh Assembly. [7014]

Mr. Hain: It would be unrealistic to attempt to make detailed forecasts but I am confident that a democratically elected and responsive Assembly would give a significant boost to the competitiveness of the Welsh economy.

Mr. Colvin: To ask the Secretary of State for Wales for what reasons the Welsh Assembly referendum will be held after the Scottish Parliament referendum; and if he will make a statement. [7575]

Mr. Davies: Our proposals for Wales are quite different from those for Scotland. We need to give people a chance to focus on the distinctive Welsh plans without being deflected by the Scottish debate.

Sustainable Development Strategy

14. **Mr. Dafis:** To ask the Secretary of State for Wales what proposals he has to draw up a sustainable development strategy for Wales. [7008]

Mr. Win Griffiths: The Government will be looking again at the 1994 UK Sustainable Development Strategy in the light of our own objectives. My right hon. Friend and I will consider the need for a separate Welsh strategy in the light of that review.

Health Authorities (Finance)

16. **Mr. Denzil Davies:** To ask the Secretary of State for Wales what was the *(a)* total business from the Welsh Office and *(b)* the total financial deficits of all health authorities in Wales at the latest available date. [7010]

Mr. Win Griffiths: The Welsh Office provides funding to health authorities to purchase health care for their resident population. In 1996–97, the revenue funding provided by the Welsh Office to the five health authorities in Wales totalled £2,134 million.

The unaudited accounts for 1996–97, presently indicate that the in-year financial deficit in income and expenditure terms for the five health authorities for their first year of operation was £5.255 million.

Mr. Davies: To ask the Secretary of State for Wales what factors his Department applies to adjust the crude population share of health authorities in Wales when determining their funding needs. [8412]

Mr. Griffiths: The factors included in the capitation model to adjust the crude population share are as follows:

Non-psychiatric in-patient services: age and sex structure of population weighted for hospital bed days, Standardised Mortality Ratio;

Psychiatric in-patient services: age and sex structure of population weighted for average length of hospital stay;

Non-psychiatric outpatient services: age and sex structure of population weighted for hospital attendances, Standardised Mortality Ratio;

Community health services: age and sex structure of population weighted for staff contacts, estimated staff travelling distances, Standardised Mortality Ratio; and

Ambulance services: age and sex structure of population, Standardised Mortality Ratio; road length per head of population.

Mr. Davies: To ask the Secretary of State for Wales what would have been the total amount which the Dyfed-Powys health authority could have expected to have received from the Welsh Office for the year 1997–98 by way of discretionary expenditure on the basis of a crude population share. [8433]

Mr. Griffiths: On the basis of a crude population share of the total 1997–98 Recurrent Discretionary Allocation made to health authorities, Dyfed Powys would have received £223.6 million.

Mr. Davies: To ask the Secretary of State for Wales if he will publish the names of the working party set up in his Department to review the methodology in respect of the distribution of resources to health authorities; and when he expects the review to be completed. [8546]

Mr. Griffiths: The membership of the Resources Allocation Working Group is as follows:

Mr. A. C. Wood: Health Finance Management Division

Mr. R. T. Kilpatrick: Health Finance Management Division

Miss B. Jones: Health Finance Management Division

Dr. B. Fuge: Health Professional Group

Mr. D. Hobbs: Health Strategy Division

Ms C. Durnell: Economic Advice Division

Mr. R. Jones: Health Statistics and Analysis Unit

Mr. M. Evans: Bro Taf Health Authority

Mrs. J. Sait: Dyfed Powys Health Authority

Mr. G. Coomber: Gwent Health Authority

Dr. P. Donnelly: Iechyd Morgannwg Health Authority

Mr. N. Morris: North Wales Health Authority

Mr. P. Davies: University of Wales Healthcare NHS Trust

Dr. N. Upton: Gowerton Medical Centre, Swansea

Mrs. C. Theobald: North East Wales Community Health Council

I expect the group to report later this year and, if possible, to feed the results into the 1998–99 health authority allocation round.

29. **Mr. Rowlands:** To ask the Secretary of State for Wales if he will make a statement on the current financial position of health authorities in Wales. [7023]

Mr. Griffiths: I shall expect all authorities to remain within their notified cash limits.

Industrial Investments

18. **Mr. Donald Anderson:** To ask the Secretary of State for Wales if he will make a statement on his plans to encourage industrial investment in areas outside the M4 corridor in south and east Wales and the A55 corridor in north Wales. [7012]

Mr. Hain: I am determined to see a more even spread of investment throughout Wales particularly in western areas, north western areas and the South Wales Valleys.

Pensioners

21. **Mr. Viggers:** To ask the Secretary of State for Wales what representations he has received from pensioners in Wales in relation to the Budget. [7015]

Mr. Hain: None.

Dental Services

22. **Mr. Flynn:** To ask the Secretary of State for Wales what new proposals he has to improve dental services in Wales. [7016]

Mr. Win Griffiths: The Government is committed to ensuring that a comprehensive NHS dentistry service is available to all who wish to use it. We shall shortly be bringing forward proposals for strengthening and improving primary health care in Wales and we anticipate that these will include measures for developing NHS dentistry.

Transport

24. **Mr. Gareth Thomas:** To ask the Secretary of State for Wales what plans he has for promoting sustainable transport schemes in Wales. [7018]

Mr. Hain: My right hon. Friend the Deputy Prime Minister announced on 5 June his proposals for a national strategy to develop an integrated transport policy, and explained that this should be set out in a White Paper, probably accompanied by detailed papers on specific subjects. A consultation document on the development of the policy, which will of course embrace Wales, will be issued shortly.

Referendum

26. **Mr. Hanson:** To ask the Secretary of State for Wales when he next plans to visit north Wales to discuss the referendum campaign. [7020]

Mr. Ron Davies: I discussed the referendum campaign in North Wales on 30 June and 7 July and I expect to make other visits to North Wales to argue for our proposals in the coming weeks.

30. **Mr. Letwin:** To ask the Secretary of State for Wales if he will make a statement on his role in the referendum debate in Wales. [7024]

Mr. Davies: Together with the Prime Minister and other Ministers I shall be arguing the case throughout Wales for the Government's proposals.

Welfare-to-work Programme

28. **Ms Lawrence:** To ask the Secretary of State for Wales if he will make a statement on the implementation of the welfare-to-work programme in Wales. [7022]

Mr. Hain: I wrote to all Welsh MPs on 3 July providing details of how the New Deal will operate in Wales. Further details in respect of Employment Zones and the Lone Parents Initiative will be made available in due course.

Family Farms

Mr. Charles Kennedy: To ask the Secretary of State for Wales what plans he has to help safeguard the future of viable family farms in Wales; and if he will make a statement. [7017]

Mr. Win Griffiths: My right hon. Friend and I will have the future of family farms very much in mind as we participate in developing the UK Government's policy towards reform of the Common Agricultural Policy; and as we design policy initiative such as a new Agri-Environment Scheme for Wales.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Wales what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8312]

Mr. Ron Davies *[holding answer 14 July 1997]:* All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

Mr. Bruce: To ask the Secretary of State for Wales if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8311]

Mr. Davies *[holding answer 14 July 1997]:* The figures requested for my Department's spending plans within the Control Total are as follows:

£6,529 million, £6,440 million, £6,598 million and £6,449 million

In addition Wales will benefit from part of the expenditure outside the Control Total which was announced in the Budget, for Welfare to Work and spending under the Capital Receipts Initiative.

EU Regional Development Fund

Mr. Barry Jones: To ask the Secretary of State for Wales if he will seek the restoration of Objective 2 status to North-east Wales. [7863]

Mr. Hain: Eligible areas for the European Structural Funds will not be changed before the end of 1999. For the period from the year 2000 onwards, the eligibility of areas will depend on the Commission's proposals for future financing of the EU and of the reform of the Structural Funds. These may lead to a substantial change in the current structure, including the system of Objectives. Once the Commission have put forward proposals for the reform of the Funds and these have been negotiated and agreed, the Government will then consider proposing particular areas within the United Kingdom.

In the meantime, my officials along with local partners, are already seeking to identify those criteria which most closely meet the socio-economic circumstances and difficulties of Wales, including the North East and which can be proposed for inclusion in the Commission's eventual Structural Funds Regulations. It will be against the criteria contained in these Regulations that the merits of North-east Wales will be evaluated.

Health Trusts

Mr. Llwyd: To ask the Secretary of State for Wales (1) what steps his Department plans to address the imbalance in the number of health trusts south of Merthyr Tydfil and north of Merthyr Tydfil; and if he will make a statement; [8330]

(2) what consultations are planned involving those who represent the general practice, primary care, community nursing, health visiting and mental health professions in the North Wales health authority area in connection with plans for the reconfiguration of health trusts in that area; and if he will make a statement; [8331]

(3) what mechanism there is for taking into account the views of general practitioners, psychiatrists and public health physicians concerning the reconfiguration of health trusts in Wales; and if he will make a statement; [8333]

(4) what mechanism there is for taking into account the views of local authorities and other elected representatives concerning the reconfiguration of health trusts in Wales; and if he will make a statement; [8334]

(5) what plans he has to consider alternative reconfigurations of health trusts in North Wales; [8335]

(6) if it is his policy that no final decision concerning the reconfiguration of health trusts in Wales will be taken until the completion of the All-Wales Service Review; and if he will make a statement. [8336]

Mr. Win Griffiths: I announced on 22 May a wide-ranging review of the number and configuration of NHS Trusts in Wales. I expect the review process to include detailed discussions with representatives of all sections of the NHS, including professional groups, as well as local authorities, Community Health Councils and other interested parties. Any proposals which arise will also be subject to a formal public consultation exercise. The NHS Wales' All-Wales Service Review will be taken into account and it is my aim to have in place a new shape of trust based services by April 1999.

Brecon Community Hospital

Mr. Livsey: To ask the Secretary of State for Wales if he will reject the bid made by Nevill Hall hospital trust to take over Brecon community hospital. [8511]

Mr. Win Griffiths: I am not aware of any such proposal.

EDUCATION AND EMPLOYMENT

Engineering

Mrs. Curtis-Thomas: To ask the Secretary of State for Education and Employment what steps he is taking to encourage school leavers of exceptional ability to study engineering at university; and if he will make a statement. [7054]

Dr. Howells: In 1994 the Department began the Top Flight Engineering Bursaries scheme to attract high quality A level students to higher education engineering courses. This is a three year pump priming initiative to encourage engineering employers to sponsor students to take engineering courses and consider employment in the engineering sector. Those undergraduates already in receipt of Top Flight Bursaries (at £500 per annum) will continue to receive them until the end of their course in about 2001. So far over 6,300 students have received a Top Flight Engineering Bursary from the Department.

The Department is also supporting the Year of Engineering Success and pilot summer school for teachers. The latter is a specific outcome from the earlier Action for Engineering initiative and took place in June this year at the University of Manchester Institute of Science and Technology.

Training and Enterprise Councils

Mr. MacShane: To ask the Secretary of State for Education and Employment how many TECs have merged with chambers of commerce. [6947]

Dr. Howells: Thirteen TECs have merged with Chambers of Commerce to form Chambers of Commerce, Training and Enterprise.

Constituency Cases

Mr. Rooney: To ask the Secretary of State for Education and Employment what advice is given to Employment Service staff on giving information on constituency cases to hon. Members *(a)* over the telephone and *(b)* in writing; when this was last revised; and to what grade of staff it is disseminated. [8888]

Mr. Alan Howarth *[holding answer 15 July 1997]:* The Department takes a positive and purposeful view on this matter. Responsibility for the specifics and local arrangements has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Terry Rooney, dated July 1997:

The Secretary of State has asked me to reply to your question about advice given to Employment Service (ES) staff on giving information on constituency cases to Honourable Members. This is something that falls within the responsibilities delegated to me as Chief Executive of the Agency.

The Employment Service sets clear standards for handling telephone and written correspondence for all enquiries. The guidance is contained within two ES guides, the ES Corporate Style and ES Disclosure Guides, and in a circular on Open Government. The guidance makes clear that every effort should be made to be as helpful as possible in dealing with such enquiries.

The ES Disclosure Guide refers explicitly to requests from Members of Parliament in outlining the parameters within which Business Managers can comply within the terms of the Data Protection Act 1984. The other guidance does not explicitly refer to MPs, but I would expect all ES staff to meet these standards in contacts with Members of Parliament and others.

You asked about information on when this guidance was updated. The ES Corporate Style Guide was updated in March 1996, the ES Disclosure Guide in 1992 and the ES Circular on Open Government in 1994. This guidance is available to everyone working in the ES.

More generally we encourage all Honourable Members to contact their local Jobcentre Business Manager or District Manager, who are best placed to provide a quick and informed reply on local constituency matters, whenever they need to do so.

I hope this is helpful.

Universities (Overseas Earnings)

Mr. Brady: To ask the Secretary of State for Education and Employment what estimate he has made of the overseas earnings attributed to the British university sector in each of the last three years. [6938]

Dr. Howells: The Department does not routinely estimate total overseas earnings attributable to the British university sector. However, the Committee of Vice-Chancellors and Principals has estimated the impact on economic activity in the United Kingdom associated with international students at around £1 billion a year.

National Disability Council

Mr. Wills: To ask the Secretary of State for Education and Employment if the Government will bring in legislation to replace the National Disability Council with a disability rights commission. [8714]

Mr. Andrew Smith: I refer my hon. Friend to the reply I gave on 5 June 1997, *Official Report*, column *247*.

Disability Discrimination

Mr. Wills: To ask the Secretary of State for Education and Employment what plans the Government have to propose changes to the provisions of the Disability Discrimination Act 1995 in relation to discrimination in employment. [8710]

Mr. Andrew Smith: I refer my hon. Friend to the reply I gave to the hon. Member for Sutton and Cheam (Mr. Burstow) on 26 June 1997, *Official Report*, column *635*.

Blind and Partially Sighted People

Mr. Burstow: To ask the Secretary of State for Education and Employment what plans he has to improve facilities at *(a)* jobcentres and *(b)* job clubs for blind and partially sighted people. [7643]

Mr. Alan Howarth: The Department takes a positive and purposeful view on this matter. Responsibility for the specifics and local arrangements has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

HEALTH

Hospital Building

Mr. Campbell-Savours: To ask the Secretary of State for Health how many hospitals have been constructed in each year since 1979; and what was the cost of each such hospital. [6555]

Mr. Milburn: Information is collected centrally only on major capital projects, and not in terms of numbers of hospitals. A table listing the numbers and total works cost by national health service region of capital schemes in excess of £25 million completed between April 1980 and March 1997 has been placed in the Library. Details of the cost of individual capital projects have also been placed in the Library.

NHS Expenditure

Mr. Jack: To ask the Secretary of State for Health if he will list the criteria that each NHS Executive regional office uses to determine which health trusts and authorities are judged to have serious financial problems. [7759]

Mr. Milburn: The National Health Service Executive assesses the seriousness of financial problems by initially looking at the scale of the financial problem reported (i.e. over £1 million deficit in health authorities and an adverse operating variance of over £0.5 million in trusts). The NHS Executive will supplement this with an assessment of additional factors such as the robustness of recovery plans.

Prescription Fraud

Mr. Jack: To ask the Secretary of State for Health if he will make a statement on the estimated savings resulting from his Initiative on Prescription Fraud in the current and next four financial years. [7756]

Mr. Milburn: The Efficiency Scrutiny report into Prescription Fraud in England and Wales was published on 19 June 1997. We have announced immediate decisions to implement some important recommendations, such as including scrutiny measures in the printing of prescription forms.

The remaining recommendations are being examined in detail in order to develop a comprehensive programme of action and an estimate of the savings which will arise.

Road Traffic Accidents

Mr. Jack: To ask the Secretary of State for Health if he will list the hospital trusts in England which recover moneys associated with the treatment of road traffic accidents (i) in part and (ii) in full; and which of these have recorded the amounts of money recovered in 1996–97. [7652]

Ms Jowell: We have placed in the Library details of Road Traffic Act income for each national health service trust in England for 1995–96, the latest year for which figures are available.

Private Finance Initiative

Mr. Forth: To ask the Secretary of State for Health if he will give for the review of Private Finance Initiative health projects *(a)* the completion date and *(b)* the cost of conducting the review. [8259]

Mr. Milburn: The review of the private finance initiative (PFI) in the national health service, announced on 15 May 1997, consists of three stages. The first stage, to secure the market for PFI, involved the prioritisation of certain major acute sector PFI schemes. The results of this part of the review were announced on 3 July. The remaining stages of the review are expected to be concluded by the end of the year.

The review is being carried out by officials and consultants seconded to the NHS as part of their normal duties. No extra costs over and above these normal departmental running costs are envisaged.

Mr. Jack: To ask the Secretary of State for Health if he will list the companies involved either as individual companies or in consortia in each of the PFI hospital projects which he has *(a)* approved and *(b)* rejected. [8155]

Mr. Milburn *[holding answer 11 July 1997]:* Two private finance initiative schemes, at Dartford and Gravesham national health service trust and Norfolk and Norwich health care NHS trust, have reached agreement to proceed to financial close. The consortia and constituent companies for these two schemes are as follows:

Trust	*Consortia*	*Constituent companies*
Dartford and Gravesham NHS Trust	Pentland	Tarmac PFU Ltd. United Medical Enterprises Ltd. Tarmac Service Master Tarmac Construction Ltd.
Norfolk and Norwich Healthcare NHS Trust	Octagon Healthcare Ltd.	John Laing Group plc Serco

A further 14 major hospital PFI schemes have been selected to continue towards financial close under the first prioritisation exercise announced on 3 July. Those 23 schemes not selected had the opportunity to make representations to my right hon. Friend the Secretary of State for Health up to 14 July and all appeals are now being reviewed. However, all schemes not selected will now be eligible for consideration by the NHS Executive's capital prioritisation group to go forward either as part of the next tranche of PFI schemes or for funding from public sector capital. Six schemes are being considered as part of the London review.

Head Lice

Dr. Brand: To ask the Secretary of State for Health (1) what was the level of incidence of head lice in schools in each of the last five years; [8496]

(2) what guidelines his Department has issued regarding the *(a)* prevention of and *(b)* treatment for head lice in schools. [8495]

Mr. Flynn: To ask the Secretary of State for Health (1) what guidelines his Department issues to schools concerning the prevention and detection of head lice amongst pupils; and if he will make a statement; [8559]

(2) how many children contracted head lice in each of the last three years for which figures are available. [8552]

Ms Jowell: In April 1996, the Department of Health launched a poster and leaflet campaign—"The Prevention and Treatment of Head Lice"—which advises families and teachers on the options for dealing with this problem. So far, over 1 million copies of the leaflet have been sent to parents, teachers and health professionals. Further guidance was included in the Department's publication, "Child Health in the Community: A Guide to Good Practice" issued in September 1996. National figures on the incidence of head louse infestation are not collected because not all cases are detected. However, the number of prescriptions for lotions to treat infestation quadrupled between 1991 and 1996 from 583,000 to 2,161,000.

Mr. Flynn: To ask the Secretary of State for Health what assessment he has made of the health risks associated with the use of malathion in head lice shampoo; and if he will make a statement. [8555]

Ms Jowell: Malathion is a licensed human medicinal product which has been subject to the usual processes of assessment of safety, quality and efficacy. As for all medicines marketed in the United Kingdom, its safety has been monitored continuously after marketing. No serious toxicity has been identified in normal conditions.

Mr. Flynn: To ask the Secretary of State for Health if he will estimate how many children have suffered side effects after using head lice shampoo containing malathion; and if he will make a statement. [8556]

Ms Jowell: The Committee on Safety of Medicines has received 23 suspected adverse reactions reports associated with malathion head louse treatment via the Yellow Card scheme. Of these, 19 occurred in children. However, a report does not necessarily mean that the reaction was caused by the medicine.

Mr. Flynn: To ask the Secretary of State for Health what representations he has received concerning the health risks posed by the use of organo-phosphates in head lice shampoos. [8557]

Ms Jowell: The Department of Health, through the Medicines Control agency, has received 12 representations on this issue since November 1995.

Mr. Flynn: To ask the Secretary of State for Health what guidelines his Department issues to pharmacists selling head lice shampoo containing *(a)* malathion and *(b)* other organo-phosphates; what proposals he has to take further action; and if he will make a statement. [8558]

Mr. Milburn: Central guidelines have not been issued concerning the sale of Malathion. Health authorities issue guidelines on the rotational policies for treatment of head lice and these may include advice on use of Malathion.

In November 1995, the Chief Medical, Pharmaceutical and Nursing Officers wrote a joint letter to health professionals, including pharmacists, concerning the restriction for human medicinal use by limiting Carbaryl to prescription only use. Copies of this letter have been placed in the Library. This followed a review of information by the Committee on Carcinogenicity and advice from the Advisory Committee on Pesticides and the Committee of the Safety of Medicines. The insecticide Carbaryl is an active ingredient in a number of shampoos and lotions used to treat headlice.

Mr. Flynn: To ask the Secretary of State for Health what percentage of head lice medication currently contains permethrin and no malathion; and if he will make a statement. [8560]

Ms Jowell: There are eight products currently marketed which are indicated for the treatment of head lice. One, Lyclear Creme Rinse, contains permethrin but no malathion.

Mr. Flynn: To ask the Secretary of State for Health what assessment he has made of the effectiveness of using permethrin in head lice shampoo; and if he will make a statement. [8561]

Ms Jowell: The first medicinal product for human use for a shampoo containing permethrin was granted a marketing authorisation in November 1988. This product is indicated for the treatment of head lice. Before any medicinal product can be granted a marketing authorisation, applicants must submit data which demonstrates the efficacy of their product for the indications claimed. The data are fully assessed and scrutinised by experienced clinicians at the Medicines Control Agency. Additionally, all products containing an active ingredient not previously authorised in a medicinal product are further considered by the Committee on Safety of Medicines (CSM). The CSM considered the application and the efficacy of permethrin in 1988. A marketing authorisation can be issued only if the applicant has satisfactorily proved the efficacy of the product to the satisfaction of the Licensing Authority.

Obesity

Mr. Martyn Jones: To ask the Secretary of State for Health what new initiatives his Department is planning in respect of obesity; and if he will make a statement. [8742]

Ms Jowell: Tackling obesity is a particularly challenging problem. "The Health of the Nation" target is to reduce the percentages of men and women aged 16–64 who are obese to 6 per cent. for men and 8 per cent. for women by 2005. However in 1995 15 per cent. of men and 16.5 per cent. of women were obese, highlighting the gravity of the problem. Obesity is a long-term problem and needs a long-term strategy. We will continue to support the action on obesity and obesity-related illness initiated by the Nutrition Task Force and the Physical Activity Task Force which addresses:

(a) general initiatives offering guidance on correct bodyweight;

(b) the particular problems of high risk groups e.g. those already overweight; and

(c) treatment of those who are already obese.

These activities focus on addressing the major influences on increasing fatness—fat in the diet and physical activity. The nutrition task force programme comprises a number of projects which are continuing after the task force itself has completed its work.

The role of physical activity in helping to maintain a healthy weight is well recognised. The "Active for Life" campaign, which is funded by the Department and run by the Health Education Authority, promotes the value of increased physical activity. The campaign targeted people aged 16 to 74 in its first year and will continue to run to 1999. As part of this campaign we are also looking at physical activity and young people. To this end, an expert conference was held in June to establish the optimum levels of physical activity for school aged children and young people. A report and consensus statement will be published in the autumn.

We also recognise how important a balanced diet is for giving young people a healthy start in life. This is why my right hon. Friend the Secretary of State for Education and Employment has recently proposed the introduction of nutrition standards for inclusion in school meals contracts.

Junior Doctors

Mr. Martyn Jones: To ask the Secretary of State for Health what methods his Department is considering for the reduction of junior doctors' hours; what advice it is giving to local medical work force advisory groups and New Deal task forces in this respect; and if he will make a statement. [8741]

Mr. Milburn: The National Health Service Executive issued an Executive letter to trusts, health authorities, task forces and local medical workforce advisory groups in January (EL(97)2). The Executive also published a draft consultation document, "A Working Draft to Develop the Quality Framework for Hospital and Community Health Services Medical and Dental Staffing", in April. Both documents (copies of which are available in the Library) contain the current guidance on action to reduce junior doctors' hours. Options for further action will be reviewed over the coming months.

NORTHERN IRELAND

Traffic (Bangor)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what are the daily traffic flows each way on the Bangor dual carriageway ring-road and the Balloo/Rathgael road in Bangor. [7719]

Mr. Murphy: Responsibility for the subject in question has been delegated to the Roads Service under its Chief Executive, Mr. W. J. McCoubrey. I have asked him to arrange for a reply to be given.

Letter from W. McCoubrey to Mr. Robert McCartney, dated 11 July 1997:

The Secretary of State for Northern Ireland has asked me to respond to your recently tabled Parliamentary Question about traffic flows on the West Circular Road (Bangor ring-road) and the Balloo/Rathgael Roads, Bangor.

Roads Service has traffic monitoring equipment which is used on a rotational basis to collect data at a number of sites throughout Northern Ireland. The most recent information available for each of the roads in question is as follows:

Location	*Traffic flow (vehicles per day)*	
West Circular Road (between Belfast Road and Clandeboye Road)	10,180 11,200	(east bound) (west bound)
Rathgael Road (between Belfast Road and Clandeboye Road) Balloo Road (between Newtownards Road and Bloomfield Road South)	12,182 14,449	Each way flows not available for these roads

I do hope you find this information helpful.

Child Support Agency

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland, pursuant to her answer of 23 June, *Official Report*, column *404*, if she will ensure that the Child Support Agency specifically sets out in every relevant letter to absent parents that part of the required periodic payment which relates to arrears. [7718]

Mr. Worthington: Responsibility for this subject has been delegated to the Northern Ireland Child Support Agency under its Chief Executive, Mr. Patrick Devlin and I have asked him to arrange for a response to be given.

Letter from Mr. P. Devlin to Mr. Robert McCartney, dated 11 July 1997:

I am replying to your parliamentary question in which you asked the Secretary of State for Northern Ireland to ensure that the Child Support Agency specifically sets out in every relevant letter to absent parents that part of the required periodic payment which relates to arrears.

When a maintenance assessment is completed the absent parent is advised of the weekly amount which he is required to pay. He then receives a separate notification telling him of the method and frequency of payment. If any arrears are outstanding for the period between the effective date of the assessment and the date it is made (the initial payment period), he is also advised of this amount. He is asked either to pay this amount in full or to contact the agency to arrange an arrears agreement. If such an agreement is made the absent parent is again advised of the breakdown of his regular payment.

Should the maintenance assessment change the absent parent is again advised of the new total to be paid and how it is made up.

In those cases where an absent parent refuses to make an arrears agreement, or fails to keep to an agreement, he is warned that further action will be taken to recover the debt, including, where appropriate, the imposition of a deduction from earnings order. That notification shows the amount which he should have paid to date, the amount he has paid and the arrears. At that stage the amount to be included in a deduction from earnings order for arrears is not known so the notification does not include this information. The absent parent is advised to contact the agency to make an agreement and avoid the necessity of the order.

I hope you will see from this that the Agency does its best to keep absent parents fully informed. It is also open to any client to request a statement of account at any time.

I hope you find this information useful.

Irish Garda (Firearms)

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what arrangements are made for armed Irish Garda to enter Northern Ireland without firearms licences; and to what extent these arrangements are reciprocal. [7716]

Mr. Ingram: The Chief Constable has advised me that any Garda officers entering Northern Ireland do not carry firearms. Any necessary protection is provided by the RUC and this is reciprocated for RUC officers entering the Republic of Ireland.

Sir David Fell

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what will be the total cost of the annual compensation payments made to Sir David Fell from his resignation on 1 October 1997 until his 60 birthday; and what are the grounds on which he is receiving compensation. [7720]

Mr. Murphy: With the approval of the former Secretary of State, Sir David was offered and accepted early retirement in February 1997, under the provisions of the Northern Ireland Civil Service Pay and Conditions of Service Code. The Code provides for flexible retirement on structural grounds where an officer's departure would assist in easing problems of succession planning. Under the scheme Sir David will receive an annual payment (know as an annual compensation payment) in lieu of pension until normal civil service retirement age.

The total cost of the annual payments is personal to Sir David, under the terms of the Data Protection Act 1984.

Anglo-Irish Secretariat

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland if she will list those receptions held or proposed to be held by the Anglo-Irish Secretariat at Maryfield in 1997. [7717]

Mr. Murphy: Two receptions have been held co-hosted this year by the Anglo-Irish Secretariat: on 18 March to mark St. Patrick's Day; and on 2 July on the occasion of an academic conference.

Government Purchasing Agency

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what assessment she has made of *(a)* the shortlisting decisions and *(b)* the criteria used in relation to the Grade 7 posts in the Government Purchasing Agency for which interviews were conducted in May. [7715]

Mr. Murphy: It is not usual for either myself or my Ministerial colleagues to become involved in Personnel or other Management issues in the Northern Ireland Civil Service. These are matters for individual Departments and Agencies. I have not therefore made an assessment of the

shortlisting decision or the criteria used in relation to the Grade 7 posts in the Government Purchasing Agency (GPA).

I am advised that this competition was arranged by the Department of Finance and Personnel. Shortlisting and subsequent interviews were undertaken on the basis of mandatory criteria as defined in the notice which invited applications for the competition.

Petrol Bombs

Mr. Wilshire: To ask the Secretary of State for Northern Ireland at how many locations in Northern Ireland petrol bombs were thrown at the RUC and the Army on 6 and 7 July. [7804]

Mr. Ingram *[holding answer 14 July 1997]:* The information is not available in the format requested, however, during the 24 hour period up to 6.00 am on 7 July 1997, there were 683 petrol bombing incidents in 22 Police Sub-divisions and in the following 24 hour period there were 753 incidents in 24 Sub-divisions. Each incident usually involves the throwing of more than one petrol bomb; therefore the number of petrol bombs thrown was substantially higher than the number of incidents.

Mr. Wilshire: To ask the Secretary of State for Northern Ireland how many petrol bombs were thrown at the RUC and the Army in Portadown on 6 July. [7803]

Mr. Ingram *[holding answer 14 July 1997]:* The information is not available in the format requested, however, from 1800 hours on 5 July to 0600 hours on 7 July 1997 there were ten petrol bombing incidents in Portadown. Each incident usually involves the throwing of more than one petrol bomb; therefore the number of petrol bombs thrown was substantially higher than the number of incidents.

SCOTLAND

Compulsory Competitive Tendering

Mr. Forth: To ask the Secretary of State for Scotland if he will give for the review of compulsory competitive tendering in Scotland *(a)* the expected completion date and *(b)* the cost of conducting the review. [8243]

Mr. Chisholm: My right hon. Friend announced on 27 May and to the House on 2 June, *Official Report*, columns *67–68*, that he was suspending Compulsory Competitive Tendering (CCT) for a further year in Scotland while the essential elements of the new Best Value arrangements in local government were being developed. Together with the Convention of Scottish Local Authorities, he established a Task Force to develop these. The Task force presented their draft first report to my right hon. Friend and COSLA on 4 July. By the autumn, councils will be required to assess themselves to see how far they meet these essential elements, if they wish to apply for further exemption from CCT. My right hon. Friend will then consider whether to grant further exemptions from CCT. Costs of the Task Force work have been met from The Scottish Office budget in the usual way.

Private Finance Initiative

Mr. Forth: To ask the Secretary of State for Scotland if he will give for the review of Private Finance Initiative health projects in Scotland *(a)* the expected completion date and *(b)* the cost of conducting the review. [8260]

Mr. Galbraith: My review of PFI health projects in Scotland was completed on 23 June. I refer the hon. Member to the reply given to the hon. Member, for Glasgow, Shettleston (Mr. Marshall) on 23 June.

The review was carried out by officials in The Scottish Office as part of their normal duties.

School Leavers (Illiteracy)

Mr. Davidson: To ask the Secretary of State for Scotland if he will estimate the number of young people who have left school in each of the last five years and who now require remedial literacy or numeracy assistance, expressed as a total and a percentage of the cohort for each year. [7928]

Mr. Wilson: This information is not held centrally. However, in 1996 the Scottish Office participated in an International Adult Literacy Survey. Results of this study will be published in September and will include data on literacy levels of 16 to 24 year olds in Scotland.

Lockerbie

Mr. Dalyell: To ask the Secretary of State for Scotland what assessment he has made of the role of the Office for Islamic propaganda in respect of its response to the Lockerbie bombing; and what inquiries he has instigated in respect of documents relating to their role. [7936]

Mr. McLeish *[holding answer 11 July 1997]:* The Government view with considerable distaste any statement which welcomes the murder of 270 innocent victims. While the prosecuting and investigating authorities in any criminal case will not comment on the investigative steps they take, the appropriate action is being taken to look into these matters.

Departmental Expenditure

Mr. Swinney: To ask the Secretary of State for Scotland if he will itemise the planned Scottish Office expenditure for years 1996–97 to 1999–2000 in cash and real (1996–97) prices by category of expenditure as expressed in Table 1.4 of "Serving Scotland's Needs, The Government's Expenditure Plans 1996–97 to 1998–99", deflating the real terms figures using the estimates for the GDP deflator provided in the Financial Statement and Budget report of July 1997. [7743]

Mr. Dewar *[holding answer 14 July 1997]:* The tables are compiled from material published in "Serving Scotland's Needs: The Government's Expenditure Plans 1997–98 to 1999–2000". They cover 1996–97 outturn, and 1997–98 to 1999–2000 plans in both cash terms and real terms.

The Scottish block, cash terms

£ million

	1996–97 Estimated outturn	*1997–98 Planned provision*	*1998–99 Planned provision*	*1999–2000 Planned provision*
Central government expenditure (including public corporations other than nationalised)				
Industry, enterprise and training	606	591	584	582
Roads and transport	216	176	194	189
Housing	248	279	283	275
Scottish Homes loan book sale	—	—	—	—
Scottish Homes debt repayment	—	–150	–70	–48
Other environmental services	358	325	321	324
Law, order and protective services	472	479	476	477
Education	1,319	1,220	1,247	1,266
Arts and libraries	77	80	76	74
Health	4,232	4,376	4,475	4,568
Social work services	62	61	61	61
Other public services	172	158	156	155
Total central government expenditure	7,762	7,597	7,803	7,923
Local authority capital expenditure (excluding water)	591	569	554	533
of which:				
HRA	191	180	180	180
Police	18	20	20	15
Fire services	13	16	16	12
Provision to match receipts from European Social Fund and European Regional	219	160	179	174
Central government support to local authorities' current expenditure	5,443	5,361	5,274	5,268
Total Scottish block	14,015	13,688	13,810	13,899

The Scottish block, real terms
1996–97 prices

£ million

	1996–97 Estimated outturn	*1997–98 Planned provision*	*1998–99 Planned provision*	*1999–00 Planned provision*
Central government expenditure (including public corporations other than nationalised)				
Industry, enterprise and training	606	575	553	538
Roads and transport	216	171	184	175
Housing	248	272	268	254
Scottish Homes loan book sale	0	0	0	0
Scottish Homes debt repayment	0	–146	–66	–44
Other environmental services	358	316	304	299
Law, order and protective services	472	466	451	441
Education	1,319	1,187	1,181	1,170
Arts and libraries	77	78	72	68
Health	4,232	4,259	4,239	4,221
Social work services	62	59	58	56
Other public services	172	154	148	143
Total central government expenditure	7,762	7,394	7,391	7,322
Local authority capital expenditure (excluding water)	591	554	525	493
of which:	0	0	0	0
HRA	191	175	170	166
Police	18	19	19	14
Fire Services	13	16	15	11
Provision to match receipts from European Social Fund and European Regional	219	156	170	161
Central government support to local authorities' current expenditure	5,443	5,218	4,995	4,868
Total Scottish block	14,015	13,322	13,081	12,844

Occupational Therapists

Mr. Alasdair Morgan: To ask the Secretary of State for Scotland how many occupational therapists are employed by each Scottish local authority; and what is the figure per head of population in each authority area. [8284]

Mr. Galbraith *[holding answer 15 July 1997]:* The information is set out in the table below:

Number of full-time equivalent staff employed as occupational therapists/aides as at 31 December 1996

Local authority	Population of authority	Total full-time equivalent occupational therapists/aides	Total full-time equivalent occupational therapists/aides per 100,000 population
Scotland	5,128,000	533.5	10.4
Aberdeen City	217,260	27.6	12.7
Aberdeenshire	227,430	0.0	0.0
Angus	110,780	19.1	17.3
Argyll and Bute	90,840	13.0	14.3
Clackmannanshire	48,810	2.5	5.1
Dumfries and Galloway	147,600	15.2	10.3
Dundee City	150,250	11.5	7.7
East Ayrshire	122,350	16.8	13.7
East Dunbartonshire	110,750	11.0	9.9
East Lothian	88,140	8.3	9.4
East Renfrewshire	88,080	8.0	9.1
Edinburgh, City of	448,850	49.1	10.9
Falkirk	143,040	21.0	14.7
Fife	349,300	40.0	11.5
Glasgow City	616,430	81.4	13.2
Highland	208,700	11.5	5.5
Inverclyde	87,100	14.4	16.5
Midlothian	80,040	5.0	6.2
Moray	86,510	10.0	11.5
North Ayrshire	139,520	16.1	11.5
North Lanarkshire	325,940	39.9	12.2
Orkney Islands	19,800	4.6	23.2
Perth and Kinross	132,570	13.0	9.8
Renfrewshire	178,550	20.4	11.4
Scottish Borders	106,100	16.7	15.7
Shetland Islands	23,020	0.0	0.0
South Ayrshire	114,630	10.0	8.7
South Lanarkshire	307,450	18.5	6.0
Stirling	82,750	0.0	0.0
West Dunbartonshire	95,760	15.0	15.7
West Lothian	150,770	14.0	9.3
Western Isles	28,880	0.0	0.0

Source:

Full-time equivalent number of occupational therapists/aides as reported by authorities' to the December 1996 Annual staffing survey.

Nurses

Mrs. Ewing: To ask the Secretary of State for Scotland what has been the percentage change in numbers of NHS nurses *(a)* in total and *(b)* in each NHS trust between 1991 and the latest year for which figures are available. [6383]

Mr. Galbraith *[holding answer Monday 7 July 1997]:* The whole time equivalent number of nurses fell in Scotland by one per cent. between 1991 and 1996.

Information at Trust level is not available for the requested year 1991. A comparison by Trust between 1994 and 1996 is given in the table:

Qualified nursing staff[1] by Provider
Percentage change between 1994 and 1996(p)

	1994	1996(p)	Percentage change 1994 to 1996[2]
Aberdeen Royal Hospital NHS Trust	1,328	1,398	5.3
Angus NHS Trust	627	624	-0.4
Argyll and Bute NHS Trust	431	420	-2.7
Ayrshire and Arran Community Health Care NHS Trust	758	763	0.8
Borders Community Health Services NHS Trust	367	364	-0.9
Borders General Hospital NHS Trust	347	365	5.1
Caithness and Sutherland NHS Trust	203	225	10.9
Central Scotland Healthcare NHS Trust	1,052	973	-7.5
Dumfries and Galloway Acute and Maternity Hospitals NHS Trust	506	536	6.0
Dumfries and Galloway Community Health NHS Trust	599	590	-1.4
Dundee Healthcare NHS Trust	861	864	0.3
Dundee Teaching Hospitals NHS Trust	1,223	1,254	2.5
East and Midlothian NHS Trust	717	698	-2.6
Edinburgh Healthcare NHS Trust	1,128	1,174	4.0
Edinburgh Sick Children's NHS Trust	245	283	15.3
Falkirk and District Royal Infirmary NHS Trust	389	395	1.5
Fife Healthcare NHS Trust	1,160	1,098	-5.3
Glasgow Community and Mental Health Services NHS Trust	2,479	2,034	-17.9
Glasgow Dental Hospital and School NHS Trust	10	10	-0.0
Glasgow Royal Infirmary University NHS Trust	1,204	1,258	4.5
Grampian Healthcare NHS Trust	1,727	1,602	-7.2
Hairmyres and Stonehouse Hospitals NHS Trust	569	542	-4.8
Highland Communities NHS Trust	724	714	-1.4
Inverclyde Royal NHS Trust	352	363	3.0
Kirkcaldy Acute Hospitals NHS Trust	527	535	1.5
Lanarkshire Healthcare NHS Trust	1,289	1,376	6.8
Law Hospital NHS Trust	547	556	1.7
Lomond Healthcare NHS Trust	394	381	-3.5
Monklands and Bellshill Hospitals NHS Trust	694	691	-0.4
Moray Health Services NHS Trust	352	450	27.9
North Ayrshire and Arran NHS Trust	812	852	4.9
Perth and Kinross Healthcare NHS Trust	827	830	0.4
Queen Margaret Hospital NHS Trust	479	524	9.4
Raigmore Hospital NHS Trust	569	572	0.5
Renfrewshire Healthcare NHS Trust	874	814	-6.9
Royal Alexandra Hospital NHS Trust	525	526	0.3
Royal Infirmary of Edinburgh NHS Trust	1,641	1,548	-5.6
South Ayrshire Hospitals NHS Trust	523	483	-7.7
Southern General Hospital NHS Trust	796	891	12.0
Stirling Royal Infirmary NHS Trust	409	427	4.5
Stobhill NHS Trust	507	496	-2.1
The Victoria Infirmary NHS Trust	625	654	4.6
The Yorkhill NHS Trust	620	668	7.8
West Glasgow Hospitals University NHS Trust	911	1,082	18.7
West Lothian NHS Trust	791	789	-0.2
Western General Hospitals NHS Trust	638	649	1.6
Total for Trusts	34,355	34,342	-0.0

Qualified nursing staff[1] by Provider
Percentage change between 1994 and 1996(p)

	1994	1996(p)	Percentage change 1994 to 1996[2]
Qualified nursing staff employed outwith Trusts[3]	1,026	892	-13.1
Scotland	35,381	35,234	-0.4

Notes:
[1] Excludes nurse teachers, nurses in training and students on P2000 courses in nursing and midwifery.
[2] Provisional.
[3] Includes qualified nursing staff employed by Health Board HQs, State Hospital Unit, CSA, Western Isles Health Unit and Shetland Hospitals and Community Services Unit.
Source:
National Manpower Statistics from payroll ISD Scotland.
Adhoc ref: 97/7906.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Rail Services (Cycles)

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received in respect of the provision of carriage of cycles on trains; and if he will make a statement. [8502]

Ms Glenda Jackson: I have received 36 representations about the carriage of bicycles on trains.

The Government are encouraging operators to improve provision for the carriage of cycles on trains. Some operators have implemented or propose improvements in respect of their services. The Government welcome these initiatives.

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions what progress he is making in encouraging rail operators to adopt the code of practice, "Providing for Cyclists"; and if he will make a statement. [8534]

Ms Jackson: The Government are continuing to encourage rail operators to adopt the voluntary code of practice, "Providing for Cyclists", which has been developed by the cyclists' Public Affairs Group, the Cyclists' Touring Club and Sustrans, which I was delighted to have the opportunity to launch in June. Anglia Railways has been awarded the Cycle Mark under the code of practice for its Bikes on Trains initiative. A number of other operators are also making improvements in facilities for cyclists who wish to take their cycle on the train or park it at the station. We welcome these developments.

Sea Empress Incident

Mr. Ainger: To ask the Secretary of State for the Environment, Transport and the Regions when he will publish the report of the Chief Inspector of Marine Accidents into the grounding and subsequent salvage of the tanker 'Sea Empress' at Milford Haven in February 1996. [9308]

Mr. John Prescott: I am publishing the report by the Marine Accident Investigation Branch on the grounding and subsequent salvage of the tanker Sea Empress at Milford Haven between 15 and 21 February 1996 today. A copy has been placed in the Library and will be distributed by the Stationery Office. The report is open for public comment for a period of six weeks. Thereafter, the Government will issue a detailed response to the report. In the meantime, I have asked my officials to begin a review of the 1987 Pilotage Act. I have also asked Lord Donaldson of Lymington to conduct an independent review of salvage and intervention operations and their command and control, having satisfied himself that the Marine Accident Investigation Branch's report provides a reasonable basis for his review. Lord Donaldson's review will form part of the Government's ongoing review of the National Contingency Plan for Marine Pollution. The detailed terms of reference of these reviews will be announced later.

Lavatory Cisterns

Mr. Fabricant: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the annual water leakage rate likely to arise from permitting the importation of non-syphonic lavatory cisterns; and if he will make a statement. [7897]

Angela Eagle: I understand that the Water Regulations Advisory Committee is proposing that the use of non-siphonic flushing systems should be allowed in order to encourage the development of WCs with lower flush volumes. The committee is also proposing that such devices, whether manufactured in the United Kingdom or abroad, should be required to meet stringent performance specifications so that any possible leakage will be greatly outweighed by water savings from the considerable lower flush volumes that can be achieved.

The committee is currently consulting on these and other proposals to reduce the use and waste of water.

Organophosphates

Mr. Flynn: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the health risks posed to farmers of exposure to organophosphate in sheep dip; and if he will make a statement. [8554]

Angela Eagle: All applications for marketing authorisations for veterinary medicine products must be supported by data relating to their safety, quality and efficacy. Assessments of the data are scrutinised by the Veterinary Products Committee (VPC), which advises Ministers and has twice reviewed OP sheep dips in the last five years. On both occasions the VPC advised that, provided they are used safely and in accordance with the manufacturer's instructions, there is no scientific justification for withdrawing them from the market. Any reports of human suspected adverse reactions to veterinary medicines (including sheep dips) are monitored through a surveillance scheme run by the Government's Veterinary Medicines Directorate.

In assessing the risk from the use of a product, the potential exposure must be taken into account as well as the inherent toxicity of the substance being considered. Studies have shown the principal sources of exposure

during dipping and the steps that can be taken to control it and are described in leaflet AS29 "Sheep dipping". The Government have also commissioned both epidemiological and toxicological research, which continues. From the information available, it is clear that taking a large dose of OP sheep dip into the body will almost certainly result in immediate ill-health, but that it can be avoided if the proper control measures are adopted. It has also been suggested that prolonged, low-level exposure without immediate symptoms can cause chronic ill-health but scientific studies have so far revealed scant evidence for this. A major research project is however underway to investigate effects of this kind.

Rural Business Use

Mrs. Ellman: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he is considering to introduce a new rural business use class. [8922]

Mr. Caborn: A consultation paper was issued in July 1996 seeking views on the possible introduction of a new rural business use class. There were 291 responses, copies of which have now been placed in the Department's library. The majority of those responding felt that the new class would be very difficult to operate in practice. In particular, a wide range of concerns were expressed about the feasibility of using traffic levels to assess business intensification. Doubts were also expressed about the need for the new use class and a majority of respondents expressed support for existing planning mechanisms such as planning conditions in balancing the needs of rural businesses with environmental considerations. In the light of these comments, the Under-Secretary of State for Wales and I have decided not to proceed with this proposal or with the working group set up in February to take it forward.

In England, PPG7 explains how the existing provisions of the planning system can assist rural businesses. In Wales, equivalent guidance is provided in the first revision of "Planning Guidance (Wales): Planning Policy", which is being finalised for publication. Our manifesto outlines a range of wider measures which we will be taking to promote both rural and urban enterprise. The Government attach particular importance to the encouragement of sustainable development in rural areas. We want a healthy rural economy that creates employment opportunities but also respects the countryside.

Genetically Modified Organisms

Mr. Tyler: To ask the Secretary of State for the Environment, Transport and the Regions what projections have been made by his Department of the long-term effects of the interaction of genetically modified organisms with their environment. [8040]

Angela Eagle *[holding answer 14 July 1997]:* The purpose of part VI of the Environmental Protection Act 1990 is to prevent or minimise damage to the environment from the release of genetically modified organisms (GMOs). In considering applications for consent to release GMOs, the risks to human health and the environment, including long term effects, are assessed before a decision is made. A consent is granted only if the risks of the proposed release are low or effectively zero. The Department funds a research programme to identify potential risks, to monitor particular existing releases to confirm that the risk assessment is correct, and to support decision making in granting consents.

EU Object 2 Funding

Mr. Gale: To ask the Secretary of State for the Environment, Transport and the Regions what steps Her Majesty's Government are taking to ensure the continuation of EU Objective 2 funding *(a)* for the United Kingdom and *(b)* for Thanet at its current levels in real terms after 1999; and if he will make a statement. [8583]

Mrs. Roche *[holding answer 15 July 1997]:* The European Commission's proposals for reform of the European Structural and Cohesion Funds after 1999 are due to be published on 16 July. Detailed proposals for amending the regulations will come at a later date and will be the basis for negotiation. This may lead to substantial changes to the current structure, including the system of objectives. It will be a Government priority to secure reform which delivers a system that is affordable, efficient, durable and fair. It is too early to estimate the likely effect on specific regions.

TRADE AND INDUSTRY

Regional Assistance and Investment

Mrs. Gillan: To ask the President of the Board of Trade what discussions she has had with the Deputy Prime Minister over responsibility for regional assistance and investment; and if she will make a statement. [6884]

Mrs. Beckett: I have ministerial responsibility for regional selective assistance which supports investment in the Assisted Areas of Great Britain. My Department and DETR are in regular contact about the carrying forward of the Government's policies for RDAs.

Minister for Trade and Competiveness in Europe

Mr. Redwood: To ask the President of the Board of Trade if the Minister for Trade and Competitiveness in Europe has any remaining interests in BP through the long-term performance plan described in Note 36 to the BP 1996 report and accounts. [8329]

Mrs. Beckett: Lord Simon is no longer an active member of BP's long-term performance plan. In accordance with the rules of the scheme, he gave up his active membership when he took over as Chairman in 1995. The plan continues to hold shares in trust for Lord Simon which relate to the period prior to his Chairmanship. He cannot influence these holdings in any way. These shares cannot be released under the terms of the plan before 7 May 1998 and 1 January 1999. These trigger dates relate to the required retention period in the rules for performance plans entered into before 1995.

Mr. Redwood: To ask the President of the Board of Trade on what date the Minister for Trade and Competitiveness in Europe complied with the procedures set down in "Questions of Procedure for Ministers" relating to *(a)* his shareholding and *(b)* other requirements relating to financial interests. [7551]

Mrs. Beckett: The Minster for Trade and Competitiveness in Europe put in hand arrangements to do so from the day of his appointment.

Post Office

Mr. Fallon: To ask the President of the Board of Trade if she will set out the Post Office's external financing limit for 1997–98 together with (i) the returns on capital employed by Royal Mail and Parcelforce, (ii) the returns on finance for Post Office Counters and (iii) the real unit cost reductions for Royal Mail. [8769]

Mr. Ian McCartney: The 1997–98 external financing limit for the Post Office is minus £313 million; the 1997–98 return on capital employed targets for Royal Mail and Parcelforce are respectively 20 per cent. and 3.5 per cent.; the 1997–98 return on turnover target for Post Office Counters Ltd. is 2.5 per cent. and the real unit cost reduction target for Royal Mail is a 6.2 per cent. reduction by 1998–99 over 1995–96. These targets are, however, under review.

Low Pay Commission

Mr. Fallon: To ask the President of the Board of Trade how many applications for membership of the Low Pay Commission had been received by the closing date. [7697]

Mr. Ian McCartney *[holding answer 14 July 1997]:* By the closing date of 10 July 1997, some 475 applications for membership of the Low Pay Commission had been returned.

Territorial Employment Pacts

Mr. Ieuan Wyn Jones: To ask the President of the Board of Trade what assessment her Department has made of the potential contribution of European Territorial Employment Pacts to the creation of new jobs; and if she will make a statement. [8680]

Mrs. Roche: The Government is committed to new partnerships which will attack long-term joblessness. Territorial Employment Pacts are a potentially innovative mechanism for bringing together the relevant partners in a local area to focus and co-ordinate their job-creation efforts. The pilot projects which the Government intends to nominate the European Commission, together with others in the United Kingdom and those going forward in other parts of Europe, will provide useful experience for future partnerships.

Mr. Bennett: To ask the President of the Board of Trade how much notice Stockport Metropolitan Borough Council was given of the request to bid for a pilot territorial employment pact by the Government Office for the North West. [8578]

Mrs. Roche: A letter, with written guidance, inviting regional partners including Stockport Metropolitan Borough Council to submit proposals for pilot projects to set up Territorial Employment Pacts was sent out by the Government Office for the North West on 4 July. Responses were requested by 9 July to meet DTI's deadline of 11 July. Stockport's response was the first of 13 proposals which the Government Office for the North West received. The short amount of time resulted from the new Government's desire to meet the European Commission's timetable for nominating up to 10 pilot projects from the UK.

Human Genome Project

Mr. Lansley: To ask the President of the Board of Trade if she will make an assessment of the potential for misuse through biological warfare of the Human Genome Project; if she will assess the national and international legislative framework for the output of this project; and if she will make a statement. [7210]

Mr. Battle *[holding answer 8 July 1997]:* There is no potential misuse, through biological or other warfare, directly from the Human Genome Mapping Project (HGMP) whose purpose is strictly the mapping and sequencing of the entire complement of human genes.

However, the British Medical Association have recently announced that they have commissioned an investigation into whether there could be any threat of genetic weapons being developed capable of biological ethnic cleansing. These forms of weapons do not exist but the BMA fears that developments in genetic therapy to cure disease could in principle, in future, be turned to attack certain body sites. The report is expected in 12 months.

There is no legislative framework, national or international, specifically relating to this project.

Sector Challenge

Mrs. Gillan: To ask the President of the Board of Trade what factors led her to exclude overseas trade fairs from future rounds of the Sector Challenge; and if she will put copies of all representations she received from industry recommending that Sector Challenge should be abolished for export promotion programmes in the Library. [7680]

Mrs. Roche *[holding answer 10 July 1997]:* As my right hon. Friend the President of the Board of Trade said in her answer on 21 May, *Official Report,* column *67,* "industry has told us that it believes that a separate scheme is more appropriate for trade fairs than a challenge approach". There were over 350 individual letters from or on behalf of industry following the previous administration's announcement on 17 January 1997, *Official Report,* columns *392–93.* In every case the correspondent was objecting to the inclusion of trade fairs support in Sector Challenge. Extracting and copying all those letters would cost over £450. I will place in the Library a list of the organisations and individuals who wrote in.

Aid and Trade Provision Projects

Mrs. Gillan: To ask the President of the Board of Trade how many UK jobs are supported by the ATP projects in Chile, China, Ghana, Indonesia, Lesotho, Pakistan, the Philippines, Sri Lanka, Thailand and Zimbabwe. [8144]

Mrs. Roche *[holding answer 11 July 1997]:* As over the past three years 21 ATP projects have started in these markets it will take a little time to collate the information requested. When it is available I will write to the hon. Member and place a copy of my letter in the Library of the House.

Trade Fairs

Mrs. Gillan: To ask the President of the Board of Trade what budget has been allocated to trade fair services support in 1998–99 [7681]

Mrs. Roche *[holding answer 10 July 1997]:* In a move which has been widely praised by businesses the Government removed the trade fair services support from the Sector Challenge Scheme.

The Government is committed to maintaining existing Departmental spending ceilings until March 1999. A comprehensive spending review is being carried out. It will review all aspects of public expenditure, including export promotion. As the hon. Member will appreciate, I cannot discuss individual items within the spending review prior to its conclusions. I can confirm however that industry has been invited to bid for trade fairs and seminars to be supported in 1998–99.

Mrs. Gillan: To ask the President of the Board of Trade what are the terms and conditions, including the price, of the contract with Metra Martech Ltd. for analysing responses to the Support for Overseas Trade Fairs and Seminars consultation paper. [8143]

Mrs. Roche *[holding answer 11 July 1997]:* The terms and conditions for this contract with Metra Martech Ltd. are the standard DTI contract terms and conditions for service contracts. Details of these terms and conditions can be found in the DTI Procurement Manual, copies of which are held by the Libraries of both Houses. Other details of the contract with Metra Martech Ltd. are commercially confidential. Paragraph 13 of the Code of Practice on Open Government permits the withholding of such information.

UK Exports Database

Mrs. Gillan: To ask the President of the Board of Trade when the database of United Kingdoms exports accessible on line by all overseas posts will be completed; and at what cost. [7685]

Mrs. Roche *[holding answer 10 July 1997]:* There is no single database of UK exporters but a customised CD-ROM directory of British business is being made available to UK overseas posts by the FCO. This has been developed by Reed Business Information following an open tender procedure managed by the FCO. The contractual arrangements are commercial-in-confidence. Overseas posts are also being equipped with facilities to access the Internet enabling them to utilise the increasing range of commercially available directory products now appearing on the world wide web. In addition my department is supporting a project under the Information Society Initiative Programme for Business called TradeUK which aims to help UK exporters gain profile on the Internet. Further use of electronic databases in support of UK exporters will be considered by the Export Forum.

Small Firms

Mrs. Gillan: To ask the President of the Board of Trade which Government-funded services responsible for supporting small firms do not have representation from small firms; and if she will take steps to ensure that such businesses are represented. [7684]

Mrs. Roche *[holding answer 10 July 1997]:* We are very keen that all Government-funded services and bodies responsible for supporting small businesses have adequate representation from the small business sector. My Department is looking at the current position and at how adequate representation can be achieved.

Disability Discrimination Act 1995

Mr. Wills: To ask the President of the Board of Trade (1) how many claims to industrial tribunals under the employment provisions of the Disability Discrimination Act 1995 have been *(a)* settled through ACAS and *(b)* withdrawn since the date of implementation; [8711]

(2) how many claims have been heard by industrial tribunals under the employment provisions of the Disability Discrimination Act 1995 since the date of implementation; and how many of these claims have succeeded; [8712]

(3) how many applications have been issued to industrial tribunals under the employment provisions of the Disability Discrimination Act 1995 since the date of implementation. [8713]

Mr. Ian McCartney: Since the Disability Discrimination Act 1995 came into force on 2 December 1996, 483 applications have been made to the Industrial Tribunals under the employment provisions of the Act.

Thirteen of these applications have been settled through ACAS, 10 applications were withdrawn and a further six settled privately without hearing.

Twelve applications have been heard by a tribunal, of which one was successful.

DEFENCE

Northern Ireland

Mr. Keith Simpson: To ask the Secretary of State for Defence what the cumulative cost is of this Department's support for the civil power in Northern Ireland since 1969. [8133]

Dr. Reid: The information is not available in the precise form requested because the necessary departmental records are no longer extant and the adoption in 1991–92 of the New Management Strategy (NMS) means that comparable costs across the period cannot be calculated.

Estimates prepared in response to previous parliamentary questions are available for the additional costs of conducting military operations in Northern Ireland between 1969–70 and 1987–88. Insofar as can

now be determined, these contrasted the estimated cost at contemporary prices of maintaining a garrison of the size established in 1969 with the actual cost of the garrison and all its associated expenditure in the year in question. The figures are:

Financial year	*Additional cost of military operations £ million*
1969–70	1.5
1970–71	6.5
1971–72	14
1972–73	29
1973–74	33
1974–75	45
1975–76	60
1976–77	65
1977–78	69
1978–79	81
1979–80	96
1980–81	100
1981–82	149
1982–83	143
1983–84	141
1984–85	121
1985–86	135
1986–87	144
1987–88	168

Sources:

House of Commons *Official Report* for: 16 May 1977, Column 77; 26 March 1980, Column 593; and 16 June 1988, Columns 225–26.

I regret that I have been unable to trace any equivalent estimates for financial years 1989–90 to 1990–91.

The overall budgets held by the General Officer Commanding (Northern Ireland) for 1991–92 and subsequent financial years, for personnel, stores, services, lands and, except for 1991–92, works costs, are as follows:

Financial year[1]	*General officer commanding (Northern Ireland's) budget (final outturn)*
1991–92	£355 million
1992–93	£436 million
1993–94	£489 million
1994–95	£510 million
1995–96	£475 million
1996–97	[2]£514 million
1997–98	[3]£508 million

Notes:

[1] The General Officer Commanding (Northern Ireland) was vested as a Top Level Budget Holder on 1 April 1994., The figures for 1992–93 and 1993–94 are estimates of outturn prepared as comparators for the Class 1 Supply Estimates for 1994–95 (HC276–I) and 1995–96 (C271-I).

[2] This figure represents the estimated outturn given in Vote 1, section B of the 1997–98 Class I Supply Estimates (HC 335).

[3] This figure represents the provision made in Vote 1, section B of the 1997–98 Class I Supply Estimates (HC 335).

A more detailed explanation of these figures can be found in my predecessor's letter of 11 November 1996 to my right hon. Friend the Member for Redcar (Marjorie Mowlam), a copy of which is in the Library of the House.

Portsmouth Naval Base

Mr. Hancock: To ask the Secretary of State for Defence what plans he has to harmonise the conditions of employment of casual and permanent employees at Portsmouth Naval Base. [7451]

Mr. Spellar: This is a matter for the Chief Executive of the Naval Bases and Supply Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from J. A. Trewby to Mr. Mike Hancock, dated 16 July 1997:

I am replying to your question to the Secretary of State for Defence about harmonisation of conditions of employment of casual and permanent employees at Portsmouth Naval Base as this falls within my area of responsibility.

All civilian staff at Portsmouth Naval Base are employed in accordance with the Civil Service Recruitment Code and terms and conditions of employment are in keeping with National Agreements and as laid out in the Ministry of Defence Personnel Manual. There are no plans to harmonise conditions of employment of casual and permanent employees.

Territorial Army

Mr. Keith Simpson: To ask the Secretary of State for Defence how much money is allocated to maintaining the Territorial Army in the current financial year; what this sum is as a percentage of the defence budget; and what the allocation will be in *(a)* cash and *(b)* as a percentage of the defence budget in the next three financial years. [8183]

Dr. Reid: Identifiable costs for the TA for 1997–98 are £334 million which is approximately 1.6 per cent. of the Defence Budget. This figure excludes provision for those items which are not readily separable from the rest of the Army, including the TA's share of equipment costs, fuel, ammunition and transport.

The allocation of funds to the TA for the next three years will be determined as part of the MOD's long-term costing which is the process by which the Department re-costs and adjusts its internal plans. The Department's internal plans represent projections and assumptions, which inform advice to Ministers on the affordability of particular elements of the Defence programme and it has been the policy of successive Governments not to publish detailed information arising from this. Accordingly, I am withholding the information requested in the second part of the question which constitutes internal discussion and advice, under exemption 2 of the "Code of Practice on Access to Government Information".

Judicial Reviews

Ms Hodge: To ask the Secretary of State for Defence how many decisions by his Department were challenged by way of judicial review in each Parliamentary session since 1994–95; and in how many cases *(a)* the Department's decision was upheld, *(b)* the court found for the applicant, *(c)* the Department submitted to the judgment and *(d)* the Department appealed successfully against the judicial review decision. [7843]

Dr. Reid: Information for 1994–95 is not held centrally.

Eight decisions were challenged through judicial review in the sessions 1995–96 and 1996–97.

The Department's decision was upheld by the courts in one case. In another case leave to apply for judicial review was at first refused; when later the application for leave was renewed, the case was settled without the court making any order on the application for leave. In a third case an applicant withdrew the application after being given leave. Five cases have yet to be considered by the courts. In three cases the application for leave has not yet been heard (or the Department has not yet been informed of the result). In two other cases leave has been granted and a substantive hearing is awaited. But in one of these cases this will need to await the conclusion of a reference by the court to the European Court of Justice.

There were no cases in which the courts found for the applicant. There were, therefore, no cases in which the question of an appeal by the Department arose.

Ms Hodge: To ask the Secretary of State for Defence on how many occasions since 1994–95 legislation has been introduced by the Department *(a)* to remove effects of judicial review decisions and *(b)* to implement them. [7835]

Dr. Reid: None.

Joint Service Command and Staff College

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will list the number of military and civilian students at the Joint Service Command and Staff College *(a)* under the proposals in the defence costs study, Front Line First and *(b)* currently attending. [8193]

Dr. Reid: The current year is unrepresentative because a number of courses were cancelled or truncated to facilitate the closure of single service colleges and moves to interim JSCSC accommodation. Figures are therefore also provided for 1998.

All figures exclude students on ISSC distance learning courses, which are non-residential, as well as other regular and occasional courses, e.g. for Reserves. Civilian students attend the Higher Command and Staff Course (HCSC), the Advanced Command and Staff Course (ACSC) and the RN Initial Staff Course (RNISC).

	Front Line First	*1997–98*	*1998–99*
Military students at JSCSC	[1] [2] 1,625	[3] 1,452	[3] 1,587
Civilian students	9 (and see[2])	18	20
Total	1,634	1,470	1,607

[1] Includes underlying assumptions for Junior Division numbers, on which no specific recommendations for change were made in Front Line First.
[2] Includes 60 places for "officers from overseas and selected civil servants" on the ACSC as well as around 40 places for overseas officers on Junior courses. The precise number of civilians on the ACSC was agreed after the publication of Front Line First.
[3] Includes 130 places for overseas students.

Mission Statement

Mr. Keith Simpson: To ask the Secretary of State for Defence what the exact date is when he intends publishing his Department's mission statement. [8190]

Dr. Reid: I have nothing at this stage to add to the reply I gave to the hon. Member on 16 June, *Official Report,* column *14.*

National Service

Mr. Walter: To ask the Secretary of State for Defence if he will introduce a medal to recognise the service given by National Service men during peacetime. [8323]

Mr. Spellar: I refer the hon. Member to the reply I gave on 5 June, *Official Report,* column *222.*

Strategic Defence Review

Mr. Forth: To ask the Secretary of State for Defence if he will list for the Strategic Defence Review *(a)* the expected completion date and *(b)* the cost of conducting the review. [8234]

Dr. Reid: We expect the work of Strategic Defence Review to be completed around the turn of the year. Although maximum use will be made of existing structures to conduct the review, extra costs will be incurred, including in the process of outside consultation. It is too early to predict the total additional cost.

Mr. Keith Simpson: To ask the Secretary for Defence if he will list the names and appointments of those military and civilian personnel in his Department working in the Strategic Defence Review section. [8191]

Dr. Reid: The Strategic Defence Review is making maximum use of existing structures. It is being co-ordinated by the Directorate of Defence Policy, but a large number of military and civilian personnel across the Department are involved in work relating to the review.

Department for International Development

Mr. Keith Simpson: To ask the Secretary of State for Defence which departmental assets and funds he will in future be allocating to support the work of the Department for International Development. [8187]

Dr. Reid: It is my Department's policy to assist the work of the Department for International Development (DFID) whenever it is practicable to do so. My Department is not voted funds for this purpose and any extra costs involved are recovered from DFID. The military assets involved depend on the nature of the task; no element of our Armed Forces is specifically maintained to provide this support.

RAF 14 MU

Mr. Maclean: To ask the Secretary of State for Defence if he has completed his review of all aspects of the disposal of RAF 14 MU. [8127]

Mr. Spellar: I have examined the progress of the disposal of 14 MU RAF Carlisle and am satisfied that the MOD should negotiate with the local councils over how the future use and ownership of the site can be determined to the benefit of both the taxpayer and the local economy. I believe in the special circumstances of this case that the councils should be given the option of acquiring the core of the site with the remaining outlying areas being sold on the open market.

Defence Budget (Germany)

Mr. Keith Simpson: To ask the Secretary of State for Defence what proportion of the defence budget in *(a)* cash

and *(b)* percentage terms is taken up by the cost of maintaining the Army and RAF in Germany in the current financial year. [8134]

Dr. Reid: The estimated operating costs of the Army and RAF in Germany for the current financial year are £1,163 million and £184 million respectively. These costs represent about 5.3 per cent. of the Defence budget in the case of the Army and 0.8 per cent. for the RAF.

Ethnic Minorities

Mr. Keith Simpson: To ask the Secretary of State for Defence how many members of the ethnic minorities are currently serving in the Civil Service in his Department at grade 5 and above. [7828]

Mr. Spellar: The number of permanent civilian staff in my Department and its agencies at grade 5 level and above who have indicated that they are of ethnic minority origin in the MOD's ethnic origin survey is 10.

Homosexuality

Mr. Keith Simpson: To ask the Secretary of State for Defence how many military personnel have been administratively discharged in each year since 1990 for reasons of homosexuality or lesbianism. [7830]

Dr. Reid: The number of Armed Forces personnel who have been administratively discharged each year since 1990 is as follows:

	Male	*Female*	*Total*
1990	39	26	65
1991	23	19	42
1992	30	23	53
1993	32	21	53
1994	29	21	50
1995	53	9	62
1996	43	22	65
1997[1]	20	7	27
Total			417

[1] Figures as at 30 June 1997.

Joint Rapid Deployment Force

Mr. Keith Simpson: To ask the Secretary of State for Defence what sum is allocated to maintaining the Joint Rapid Deployment Force in the current financial year; and what it is as a percentage of the defence budget. [8184]

Dr. Reid: The Joint Rapid Deployment Force (JRDF) is not a standing force. Rather, it brings together existing forces and equipment from the Royal Navy, Army and Royal Air Force to form the most appropriate joint force for the circumstances. It is not however possible to determine what proportion of their costs might be attributable to JRDF roles, since this fluctuates over time.

The Chief of Joint Rapid Deployment Force Operations is the peacetime focus for the JRDF and as such is separately identifiable. He and his staff, who are embedded within the Permanent Joint Headquarters and would form the core of a deployed headquarters, together cost some £1.5 million per year. As this represents only a single, small element of the JRDF concept, it is not sensible to compare their costs to the overall Defence Budget.

Millennium Celebrations

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will make a statement on his Department's contribution to the Millennium celebrations; and what the cost to his Department will be. [8186]

Dr. Reid: My Department intends to give the Millennium celebrations its fullest support both in the United Kingdom and, where possible, overseas. It is represented on the Millennium Co-ordinating Group chaired by the Department for Culture, Media and Sport and has tabled a number of alternative proposals for consideration.

Until a choice has been made on the options offered, it is not possible to provide a meaningful estimate of cost to the Department.

Ex-Service Affairs Ministry

Mr. Sanders: To ask the Secretary of State for Defence if he will assess the advantages of introducing a United Kingdom equivalent of the American Ministry for ex-Service Affairs; and if he will make a statement. [7495]

Dr. Reid: The Government are giving very careful and detailed consideration to the proposals for an ex-Service Affairs Unit and will be looking into the matter in some detail.

In doing so, we will have regard for the fact that many of the benefits offered by the United States Department of Veterans Affairs are already available to ex-Servicemen in this country under the National Health Service, the War Pensions Agency and other elements of our social security system.

Radioactive Materials (Transportation)

Mr. Baker: To ask the Secretary of State for Defence how many crashes have occurred in each year since 1967 in which *(a)* United Kingdom military aircraft and *(b)* United States military aircraft have been involved while carrying radioactive materials within United Kingdom airspace; and *(a)* what volume and *(b)* level of radioactivity was involved in each case. [7606]

Dr. Reid *[holding answer 14 July 1997]:* There have been no crashes in UK airspace involving either UK or US military aircraft carrying radioactive materials.

Chemical Weapons

Mr. Llew Smith: To ask the Secretary of State for Defence what environmental and safety information has been provided to his Department by those contracted to destroy outstanding British chemical weapon grenades, 9140-M6-CN-DM, held at RAF base Bad Wulfen. [4302]

Mr. Spellar: Pursuant to my recent answer of 25 June regarding chemical weapon grenades *(Official Report,* column *547),* it should have been pointed out that the grenades at BAD Wulfen were of US origin, not British, and are believed to have been abandoned at the base during a brief period of US occupation in June 1945. The British Army had no grenades of that type.

Written Answers to Questions

Thursday 17 July 1997

SOCIAL SECURITY

Pensions Review

Mr. Davidson: To ask the Secretary of State for Social Security if she will make a statement about the review of pensions which her Department is to undertake. [9606]

Ms Harman: Our Election Manifesto promised a review of the central areas of insecurity for elderly people in this country. I have today launched a wide-ranging review of pensions.

We have inherited a major pensions challenge. The failure over the last two decades to develop an adequate pensions strategy has resulted in widening inequalities amongst pensioners. Too many of our older citizens do not enjoy security in retirement.

Only by achieving a sustainable consensus for change can the country meet the pensions challenge. We want everyone who can make a positive contribution to this review to do so.

Our starting-point must be the health and success of the wider economy. We must give everyone a real opportunity to be able to participate in it. By establishing the conditions for stable, sustainable growth, we will build a stronger economy and provide the essential foundations for decent and secure pensions. By opening up fresh opportunities to come off welfare and into work, we will ensure that more people have the opportunity to contribute to their own pensions.

The review will address nine fundamental challenges:

To achieve a sustainable consensus on pensions policy. We need to reach a broad-based agreement, which will allow people to plan for their long-term future and avoid the constant changes in pensions policy we have seen in the last 20 years.

To agree where the responsibility for funding pensions should lie and to establish the right balance between the public and private sectors.

To respond to demographic change. Talk of a demographic "time-bomb" is exaggerated, but there are real issues to address as the ratio of working age people to pensioners falls in the first half of the next century.

To respond to social and labour market change. The last 50 years have seen far-reaching changes in the way we live and work. The pension system needs to reflect this. It must be capable of responding to future change. We need to ensure it provides everyone—men and women, the self-employed, full and part-time workers, those in permanent jobs and those on short-term contracts—with the chance to build up better pensions in their own right.

To ensure resources devoted to pensions are used to maximum effect. We need to make sure that every penny available for pensions is used as efficiently and effecively as possible, whether it comes directly from individuals and employers, or indirectly from them through the tax system.

To get the regulation of pensions right. The personal pensions mis-selling scandal illustrates too clearly what can go wrong when pensions are not properly regulated. People need to have confidence in pensions and be sure their pensions are secure. We need to find a balance with provides an appropriate level of security, eliminates the scope of abuse and does not impose an undue burden on providers.

To raise awareness of pensions and improve the level of financial education so that people understand the importance of saving for retirement and make the right choice about which pension product is best for them.

To narrow the pensions gap between men and women so as to give women more security in retirement. Many pensions are simply not flexible enough to cope with women's working patterns. Women still earn less on average than men and are more likely to have caring responsibilities.

To strike the right balance between the generations. We face the challenge of providing for the future, but we must also look at the position of today's pensioners. The views and concerns of current pensioners will be at the heart of the review process. We will ensure that current pension costs are manageable and that excessive costs are not placed on future generations.

This is a formidable challenge and the Government has a key role in bringing change about. But it cannot tackle the issues on its own. We want to receive advice and hear new ideas from everyone with an interest in pensions.

We shall retain the basic state pension as the foundation of pension provision, and SERPS for those who wish to remain in it.

We will also build on the good quality second pensions that many employees enjoy by supporting and strengthening the existing framework of occupational pension provision where that is necessary. And we wish to consider with the pensions industry how an Investors in Pensions award could be established to set a benchmark against which employers, employees and trustees can measure the quality of their own scheme.

We recognise that, for many people, security in retirement can best be achieved by building up their own funded second pension. We shall therefore consult widely on how best to take forward our proposals for new Stakeholder Pensions. These will offer secure, flexible and value for money second pensions for those who cannot join an employer's occupational scheme, whose pay is low or intermittent, and for whom personal pensions are usually unsuitable.

The review will take forward consultation on the development of Citizenship Pensions for carers who are unable to contribute to pensions in their own right. As a result, carers can lose out on the pension entitlements they would otherwise acquire, and end up on means-tested benefits.

Both these proposals, which we plan to legislate for and implement in this Parliament, will be particularly good news for women.

As part of our consultative approach, I have invited Tom Ross, of Alexander Clay and vice-president of the National Association of Pension Funds, to chair a group of pensions experts to report to me on the current state of pension provision in the United Kingdom and on likely future trends. Their work will inform the development of our plans for a modern, responsive pensions system for the future.

Modernising the social security system is a key priority of the Government. Our long-term objective is to ensure that everyone has the opportunity to build up an adequate pension to guarantee security in retirement. We aim to build a society in which there is a wide consensus on the future for pensions, both now and tomorrow, and provide dignity in retirement for the whole nation.

Chief Adjudication Officer

Ms Stuart: To ask the Secretary of State for Social Security when she will publish the thirteenth annual report of the Chief Adjudication Officer; and if she will make a statement. [9607]

Mr. Keith Bradley: The report published today records some welcome improvement in the Benefits Agency and the Employment Service in standards of decision making. Whilst overall the improved performance of last year has been maintained. the report makes clear that there is still much to be done.

The Social Security Bill introduced on 10 July is a key step towards building a modern welfare state using new technology to develop improved benefit processes. The Bill makes provision for the simplification of decision making and appeals.

The report describes favourably the numerous initiatives that the Agencies have introduced to tackle weaknesses and improve their overall performance. But the decision making and appeals framework at present works against the decision makers. Despite the valuable help the Agencies get from the Chief Adjudication Officer and his staff, the system is too cumbersome, over-legalistic and prevents the use of modern technology.

The Social Security Bill will create a framework which enables the Agencies to make decisions in a more straightforward way. The decisions made will be more accurate and easier for both the decision makers and customers to understand.

Social Fund

Ms Stuart: To ask the Secretary of State for Social Security when she intends to publish her annual report on the Social Fund for 1996–97 and the annual report of the Social Fund Commissioner. [9608]

Mr. Keith Bradley: The Secretary of State's annual report on the Social Fund for 1996–97 (CM 3667) was published today and has been laid before Parliament. The report records that the gross budget allocated to the discretionary part of the Fund during the year was £440.5 million.

Total gross expenditure in 1996–97 was £539 million. This included almost 2 million non-repayable grants and interest free loans worth £432 million and Funeral, Maternity and Cold Weather Payments worth £107 million.

The Secretary of State makes clear in the Report our commitment to modernising and improving welfare delivery. The current Social Security Bill will enable the decision-making process for budgeting loans to be made easier for applicants to understand, less time consuming for staff to operate and more cost effective to administer.

The Social Fund Commissioner's annual report has also been published today and copies placed in the Library.

Windfall Tax

Mr. Garnier: To ask the Secretary of State for Social Security if she will ensure that social security entitlements are increased to match any increases in consumer charges due to the windfall tax. [2976]

Mr. Field: Any increase in consumer charges will be a matter for the regulators. Representations from individual companies would have to be considered on their own merits, but we can see no reason for any price increases as a result of the windfall tax. Benefit amounts will be reviewed at the normal time in the normal way taking account of movements in the Retail Prices Index and Rossi indices.

Immunisation (Disability Compensation)

Mr. Dawson: To ask the Secretary of State for Social Security if she will review the compensation available for people disabled by immunisation. [7238]

Mr. Denham: The Vaccine Damage Payment scheme is currently being considered.

Income Support

Mr. Wicks: To ask the Secretary of State for Social Security if she will give a breakdown of the current numbers of people claiming and in receipt of income support by *(a)* duration, *(b)* client group and *(c)* local authority area. [8514]

Mr. Bradley: The information has been placed in the Library.

Child Support Agency

Mr. McWalter: To ask the Secretary of State for Social Security if she will make it her policy to abolish the Child Support Agency. [9020]

Mr. Bradley: Children are entitled to the support of both parents wherever they live. The receipt of regular maintenance is a key part of our programme for helping lone parents into work and we are determined to ensure that all absent parents honour their responsibilities to their children. We intend to look closely at all aspects of the Child Support Agency to ensure that it provides an efficient and effective service. Our key objectives for the Agency during the coming year are to sort out cases faster, tackle the backlog of cases and pursue fathers who avoid paying.

Disability Living Allowances (Parkinson's Disease)

Mr. Rooney: To ask the Secretary of State for Social Security if she will *(a)* list and *(b)* make a statement on recent amendments to the rules for Parkinson's disease sufferers' entitlement to disability living allowances. [9110]

Mr. Denham: Entitlement to Disability Living Allowance is based not on specific disabilities, but on the effects that a person's disability has on their need for help with personal care and/or mobility needs. There are no particular rules relating to the claims from people with Parkinson's Disease.

TREASURY

Self-employed Building Contractors

Mr. Collins: To ask the Chancellor of the Exchequer what legislative changes affecting the tax status of self-employed building contractors *(a)* have been made since 1994 and *(b)* are planned for the future; when such changes will take effect; what penalties are provided for non-compliance; and if he will make a statement. [7458]

Dawn Primarolo *[holding answer 11 July 1997]:* Legislation contained in the 1995 Finance Act introduces new rules governing entitlement to subcontractors' tax certificates. Further legislation in the 1996 Finance Act provides for the introduction of registration cards for those subcontractors who will not qualify for certificates under the new rules. The Inland Revenue are continuing to discuss with industry representatives the legislation which will contain more detailed arrangements for the scheme. An announcement will be made shortly about the implementation of these changes. Penalties of up to £3,000 will be chargeable for certain offences under the scheme.

Endowment Mortgages

Mr. Fabricant: To ask the Chancellor of the Exchequer what assessment he has made of the effect of the changes in tax credit provisions in the Budget on the maturation of with-profits endowment mortgages; and if he will make a statement. [7896]

Dawn Primarolo *[holding answer 15 July 1997]:* The changes to the tax credit provisions should have very little, if any, effect on the maturity benefits from ordinary life assurance policies, including those used to back mortgages. Tax credits are not generally paid to insurance companies in respect of the investments supporting this type of business.

Pocket Budget

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer what was the cost of preparing, printing and distributing the pocket Budget edition of the Budget proposals. [8927]

Mrs. Liddell: The Treasury has for some years printed and distributed a "popular" short-form version of the Budget. The final cost for this year will depend on the demand for copies but is expected to be around £50,000.

Consumer Expenditure

Mr. Colvin: To ask the Chancellor of the Exchequer which of his Budget proposals he estimates will reduce consumer expenditure. [7578]

Dawn Primarolo: The Budget tightens fiscal policy in a balanced way and puts the public finances on a sound long-term footing.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8321]

Mr. Darling *[holding answer 14 July 1997]:* The figures requested for the spending plans of the Chancellors' Departments within the Control Total are as follows: *(a)* £3,000 million, *(b)* £2,949 million, (1) £3,027 million, (2) £2,999 million.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8322]

Mr. Darling *[holding answer 14 July 1997]:* All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

Members' Pension Fund

Mr. Bernard Jenkin: To ask the Chancellor of the Exchequer if he will estimate the effects of the Budget changes to ACT on the hon. Members' pension fund surplus or deficit; and if he will review the decision concerning whether the hon. Members' scheme should remain opted out of SERPS. [8477]

Dawn Primarolo *[holding answer 14 July 1997]:* These are matters for the Scheme's trustees and the House Authorities in consultation with their professional advisers.

Stationery

Ms Walley: To ask the Chancellor of the Exchequer how much his Department spent on stationery provision in respect of paper items in each of the last five years. [8865]

Mrs. Liddell: The amount spent on paper by the Treasury in each of the last five years was:

1992–93: £95,518

1993–94: £73,182

1994–95: £89,417

1995–96: £96,310

1996–97: £94,729.

In real terms, the amount spent has declined by 10 per cent. between 1992–93 and 1996–97.

Economic and Monetary Union

Mr. Timms: To ask the Chancellor of the Exchequer what is his policy towards economic and monetary union. [9758]

Mr. Gordon Brown: Economic and Monetary Union (EMU) will have profound implications for British businesses and the British economy whether Britain is in or out. Britain's national interest demands a better informed and more reasoned debate than we have had in the past.

I have therefore announced the publication of a report on the pros and cons of EMU. Copies are available in the Vote Office. The report was first published by David Currie earlier this year for the Economist Intelligence Unit. The Government has republished it today, in a shorter and more accessible form.

I have also announced that the Treasury will publish on 24 July a practical guide for businesses on EMU. Copies of the guide will also be available from the Vote Office. The aim of this is to give businesses the information they need to make the preparations that are necessary whether or not we join EMU.

I announced today that I shall be establishing an advisory group with senior representatives from across the private sector, to discuss matters of common concern about the practical implications for business of EMU.

The Government's policy towards EMU has not changed. Those countries that choose to take part in EMU must do so on the basis of sustainable convergence as set out in the Maastricht Treaty. Any decision about Britain joining the single currency will be determined by a hard headed assessment of Britain's economic interests.

While nothing has been ruled out, there are still formidable obstacles to the UK joining the single currency in the first wave.

End-year Flexibility

Ms Lawrence: To ask the Chancellor of the Exchequer if he will list the amounts for 1997–98 resulting from the carry forward of underspends allowed under the end-year flexibility schemes for capital, running costs, health, EU structural funds and nationalised industries expenditure. [9759]

Mr. Darling: A list of amounts for end-year flexibility totalling £198 million for capital expenditure; £387 million for running costs; £234 million for health expenditure; £499 million for EU structural funds and £63 million for Nationalised Industries expenditure is shown in tables that have been placed in the Library.

Subject to Parliamentary approval of the necessary Supplementary Estimates, individual cash limits and running costs limits will be increased when end-year flexibility is taken up.

The total increase in cash limits resulting from the take-up of end-year flexibility will be charged to the Reserve and will not therefore add to the planned total of public expenditure.

Amounts for 1997–98 voted cash limits resulting from the carryover of capital underspends

Class vote	*Vote title*	*£ thousands*
II, 3	Foreign and Commonwealth Office BBC World Service	1,213
III, 1	Intervention Board—Executive Agency: CAP market support and administration	842
III, 2	Ministry of Agriculture, Fisheries and Food	8,000
IV, 1	Department of Trade and Industry: programmes and administration	539
IV, 2	Department of Trade and Industry: science	6,747
IV, 9	Office of Gas Supply	103
V, 1	Highways Agency	11,979
V, 2	Department of Transport: administration and transport services	2,000
V, 5	Roads and Local Transport	4,020
V, 6	Department of Transport: other transport agencies	177
V, 8	Office of the Rail Regulator	120
VI, 2	Regeneration and countryside and wildlife, England	10,125
VI, 3	Environmental protection and water	505
VI, 5	Department of the Environment, Transport and the Regions: administration	5,427
VIII, 3	Public Record Office	2,000
VIII, 4	The Crown Prosecution Services	95
VIII, 6	HM Procurator General and Treasury Solicitor	307
VIII, 7	The Crown Office, Scotland and Lord Advocate's Department	1,821
IX, 1	Department for Education and Employment: programmes and central services	2,698
X, 1	Department of National Heritage: programme expenditure and administration	6,752
X, 3	Charity Commission	81
XII, 3	Department of Social Security	5,036
XIII, 1	Agriculture, fisheries and environmental services, Scotland	4,725
XIII,2	Local government, housing, transport, other environmental services and European funds, Scotland	3,623
XIII,3	Education, industry, arts and libraries, Scotland	7,435
XIII,5	Law, order and protective services, police grant and social work services, Scotland	1,047
XIII,6	Scottish Office: administration	1,151
XIII,7	General Register Office for Scotland	346
XIII,8	Scottish Record Office	450
XIII,9	Administration of justice, Scotland	1,055
XIV,1	Agriculture and fisheries, Wales	2,000
XIV,2	Industrial support, training and enterprise and education, Wales	6,880
XIV,3	Roads and transport, housing, other environmental services, Cadw, arts and libraries, health and personal social services, ERDF and Welsh Office administration, Wales	2,148
XV,1	Northern Ireland Office administration, law, order, protective and miscellaneous services	2,198
XVI,1	HM Treasury	2,000
XVI,3	HM Customs and Excise: administration	1,248
XVI,4	Inland Revenue: administration	4,597
XVI,5	Inland Revenue: Valuation Office (Executive Agency): administration	534
XVI,8	National Savings	863

Amounts for 1997–98 voted cash limits resulting from the carryover of capital underspends

Class vote	Vote title	£ thousands
XVI,9	Registry of Friendly Societies	189
XVII,1	Cabinet Office: Office of Public Service	19,057
XVIII,2	Cabinet Office: security and intelligence services	3,698
Total voted capital end year flexibility		135,831

Amounts for 1997–98 non-voted cash limits resulting from the carryover of capital underspends

Cash block	Description of expenditure	£ thousands
DOE/HC	*Department of the Environment* Grants and capital expenditure financed by the Housing Corporation in England.	1,269
DOE/LACAP	*Department of the Environment* Basic credit approvals to local authorities in England for housing, transport (except passenger transport authorities), education, health, other services and (for counties only) fire services. Supplementary credit approvals, specified capital grants and certain other grants to local authorities in England for housing.	4,676
DOE/OES	*Department of the Environment* Supplementary credit approvals for other environmental services in England. Lee Valley Regional Park Authority and the Isles of Scilly (water and sewerage).	227
DOE/LACAP	Supplementary credit approvals for health in England.	429
DOT/LACAP	*Department of Transport* Supplementary credit approvals for transport in England. Basic credit approvals for passenger transport authorities. Supplementary credit approvals to cover local authority expenditure which will be reimbursed by ERDF grant.	1,185
LCD/LACAP	*Lord Chancellor's Department* Supplementary credit approvals for magistrates' courts (England and Wales).	347
MAFF/LACAP	*Ministry of Agriculture Fisheries and Food* Supplementary credit approvals for flood defence, coast protection and harbour improvements in England.	320
NID1	*Northern Ireland Departments* Services in Northern Ireland broadly analogous to services in Great Britain covered by cash limits but including family practitioner services.	13,994
NID4	*Northern Ireland Departments* Expenditure in Northern Ireland on national agriculture capital grant schemes, certain assistance for production, marketing and processing and the fishing industry.	442
SO/LA1	*Scottish Office* Net capital allocations and grants to local authorities in Scotland for roads and transport, non-HRA housing, police, education, social work services, general services and urban programme.	22,150
SO/LA2	*Scottish Office* Net capital allocations and grants to local authorities in Scotland for HRA housing. Capital expenditure by New Towns in Scotland for housing and other environmental services.	4,298
WO/LACAP	*Welsh Office* Basic credit approvals for local authorities in Wales. Supplementary credit approvals for all services (except ERDF projects). Strategic Development Scheme grants (both capital and current) and some housing grants.	12,997
Total non voted capital end year flexibility		62,334
Total capital end year flexibility		198,165

Amounts for 1997–98 cash limits and external finance limits resulting from the carryover of underspends on health expenditure

Class, vote	Description of expenditure	£ thousands
XI, 1	Hospital, community health, family health and related services, England	91,218
XI, 2	Department of Health administration, miscellaneous health and personal social services, England	12,188
XIII, 4	Hospital, community health, family health, other health services and welfare food, Scotland	48,135
XIII, 5	Law, order and protective services, police grant and social work services, Scotland	699
XIII, 6	Scottish Office: administration	233
XIV, 3	Roads and transport, housing, other environmental services, Cadw, arts and libraries, health and personal social services, ERDF and Welsh Office administration, Wales431	
XIV, 4	Hospital, community health, family health services and other health services (part), Wales	10,978
NHS Trusts (Scotland)	Scottish Office	19,167
NHS Trusts (Wales)	Welsh Office	15,442
NID 1	Northern Ireland Office Services in Northern Ireland broadly analogous to services in Great Britain covered by cash limits but including family practitioner services37,479	
	Total health end year flexibility	235,970

Amounts for 1997–98 cash limits resulting form the carryover of underspends on structural funds expenditure

Cash limit	Vote title or description of expenditure	£ thousands
Class IV, Vote 1	Department of Trade and Industry: programmes and administration	83,394
Class V, Vote 3	Department of Transport Transport industries	5,106
DOE/ERDF	Supplementary credit approvals for capital expenditure by local authorities and payments to public and private sector bodies in England funded by ERDF grant	75,578

Amounts for 1997–98 cash limits resulting form the carryover of underspends on structural funds expenditure

Cash limit	*Vote title or description of expenditure*	*£ thousands*
Class IX, Vote 1	Department for Education and Employment: programmes and central services	202,655
DNH/ERDF	Payment of ERDF grants, including supplementary credit approvals in respect of capital expenditure by local authorities	14,517
Class XIII, Vote 2	Local government, housing, transport, other environmental services and European funds, Scotland	41,822
SO/ERDF	Payments of grants to local authorities and other bodies in Scotland on approved projects which match forecast European Regional Development Fund receipts	44,459
Class XIV, Vote 1	Agriculture, fisheries and environmental services, Wales	808
WO/ERDF	Payments of European Regional Development Fund grants in Wales including supplementary credit approvals in respect of capital expenditure by local authorities	23,789
NID 1	Services in Northern Ireland broadly analogous to services in Great Britain covered by cash limits but including family practitioner services	7,275
Total structural funds end year flexibility		499,403

Amounts for 1997–98 external finance limits resulting from the carryover of underspends on Nationalised Industries expenditure

	£ thousands
British Waterways Board	470
Civil Aviation Authority	3,800
London Transport	28,000
Jubilee Line	30,000
Caledonian Macbrayne	300
Highlands and Islands Airports	200
Total nationalised industries end year flexibility	62,770

Amounts for 1997–98 running costs limits resulting from the carryforward of running costs underspends

Department	*£ thousands*
International Development	5,245
Intervention Board—Executive Agency	4,062
Trade and Industry	5,244
Office of Fair Trading	694
Office of Telecommunications	280
Department of Transport	8,008
OPRAF	431
ORR	497
Department of the Environment	26,281
Health and Safety Executive	10,645
Home Office	1,400
Lord Chancellor's Department	1,960
Northern Ireland Court Service	805
Crown Prosecution Service	3,496
Public Record Office	1,066
Serious Fraud Office	751
Treasury Solicitor's Department	2,906
Crown Office	1,259
Department for Education and Employment	54,788
OFSTED	770
Department of National Heritage	527
OFLOT	727
Charity Commission	217

Amounts for 1997–98 running costs limits resulting from the carryforward of running costs underspends

Department	*£ thousands*
Department of Health	10,644
Department of Social Security	64,877
Scottish Office	10,968
Scottish Courts Administration	3,900
Scottish Record Office	664
General Register Office	545
Welsh Office	4,407
Office of Her Majesty's Chief Inspector of Schools in Wales	333
Northern Ireland Office and Departments	46,738
HM Treasury	16,109
Customs and Excise	19,682
Inland Revenue	56,275
Registry of Friendly Societies	595
National Savings	2,196
Office of National Statistics	3,392
Office of Public Service	10,515
Cabinet Office	1,123
Security and Intelligence Services	1,510
Privy Council Office	220
Total running costs end year flexibility	386,752

WALES

Welsh Assembly

Mr. Evans: To ask the Secretary of State for Wales what plans he has to have regular review of his relationship with a Welsh Assembly after its establishment. [8491]

Mr. Ron Davies: The White Paper, which will be published later this month, will set out the Government's thinking on the role of the Secretary of State for Wales after the Welsh Assembly is established.

Mr. Gareth Thomas: To ask the Secretary of State for Wales when he expects to announce the date of the referendum to establish a Welsh Assembly. [9803]

Mr. Davies: Subject to the House of Commons approving a motion to disagree with the amendment on dates of referendums inserted into the Referendums (Scotland and Wales) Bill in another place, the referendum in Wales will be held on 18 September 1997.

Press Releases

Mr. Chidgey: To ask the Secretary of State for Wales how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8811]

Mr. Ron Davies: The Department does not use couriers to bike press releases. Press releases are sent to media outlets by fax where appropriate. Work is in hand to make press notices available publicly on the Internet.

Welsh Development Agency

Mr. Alan Williams: To ask the Secretary of State for Wales in the targets set for the WDA, what are the boundaries of *(a)* the M4 corridor and *(b)* the A55 corridor; and what is the total population within each corridor. [8992]

Mr. Hain: For the purpose of Welsh Development Agency strategic guidance and targets, the eastern M4 corridor is defined as the coastal strip running from Chepstow in the east to Pyle in the west to the southern boundary of the programme for the valleys areas, extending east to include, broadly, the southern half of Monmouthshire. The total population is approximately 800,000.

In north Wales the eastern A55 corridor is defined as the non-rural part of the Wrexham county borough council area, the whole of Flintshire and the northern part of Denbighshire, including the towns of St. Asaph, Rhyl and Prestatyn. The total population is approximately 320,000.

Mr. Williams: To ask the Secretary of State for Wales if the 50 per cent. target set for the WDA for new jobs outside the M4 and A55 corridors is based on full-time job equivalents. [8993]

Mr. Hain: The target for jobs created and safeguarded is on the basis of full-time equivalents.

CADW

Ms Lawrence: To ask the Secretary of State for Wales what targets he has set for CADW Welsh Historic Monuments Executive Agency for 1997–98. [9761]

Mr. Ron Davies: CADW has been set the following key targets for 1997–98:

1. To complete 90 per cent. of the approved conservation maintenance programme.
2. To complete 75 resurvey lists.
3. To resolve 75 per cent. of ad hoc listing cases within 17 weeks.
4. To complete 110 scheduling actions, of which at least 70 per cent. involve additional protection.
5. To resolve 75 per cent. of listed building consent cases within 4 weeks and 90 per cent. of cases in 6 weeks.
6. To resolve 75 per cent. of scheduled moment consent cases within 13 weeks and 90 per cent. of cases within 17 weeks.
7. To resolve 80 per cent. of historic building grant applications in 18 weeks.
8. To resolve 80 per cent. of ancient monument grant applications within 6 weeks.
9. To pay 90 per cent. of properly presented claims for historic buildings and ancient monuments grants within 5 weeks of receipt.
10. To achieve a market share of 63 per cent. of the number of visitors to the top twenty heritage sites in Wales.
11. To reduce direct net cost per visitor at Cadw's sites to an average of 32 pence.

FOREIGN AND COMMONWEALTH AFFAIRS

Schengen Acquis

Mr. Austin: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the documents comprising the Schengen Acquis, giving *(a)* titles, *(b)* date adopted and by which body and *(c)* length and language of each document, indicating which of the documents are confidential; and if he will place copies in the Library. [6393]

Mr. Doug Henderson *[holding answer 3 July 1997]:* I wrote to the hon. Member on 15 July and have placed a copy of the letter in the Libraries of the House.

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests; [8097]

(2) if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 of the Register of Members' Interests. [8094]

Mr. Tony Lloyd: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest, not the Minister to know. It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' interests.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8095]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8096]

Mr. Tony Lloyd: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, (Mr. Flynn) West on 2 June, column 99, Ministers and Officials will in the normal course of business receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and Officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, we cannot keep a register of such meetings.

Amsterdam Treaty

Mr. Leigh: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the representations he has received concerning the possible infringement of religious liberties under new article 6a of the proposed treaty of Amsterdam. [8788]

Mr. Doug Henderson: I refer the hon. Member to the answer given by my right hon. Friend the Prime Minister today.

Press Releases

Mr. Chidgey: To ask the Secretary of State for Foreign and Commonwealth Affairs how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8820]

Mr. Fatchett: This Department does not deliver press releases by courier. They are distributed by fax or e-mail, and are also available on the Internet.

Islamabad Embassy

Ms Julie Morgan: To ask the Secretary of State for Foreign and Commonwealth Affairs what arrangements he has made for amending the opening hours for provision of visas to the public in the Islamabad embassy; on what date he anticipates it will be open for normal hours; what is the size of the backlog of visa applications; and what factors underlie the problems experienced. [9108]

Mr. Fatchett: The normal operation of the Entry Clearance Section in Islamabad has been disrupted over recent weeks by a number of crashes of the Section's computer equipment. I am pleased to say that the faults have been repaired. We also expect to install a new system within a few weeks.

In the meantime, the Visa Section ended its restricted operation, and re-opened for normal business, on Monday 14 July. It is giving priority to Visit applications. New settlement applications will be accepted from 21 July, and the backlog of 1,200 settlement applications is being tackled as quickly as possible.

INTERNATIONAL DEVELOPMENT

Press Releases

Mr. Chidgey: To ask the Secretary of State for International Development how much her Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time her Department issues a press release; how many such press releases were issued by her Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if she will review her Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8819]

Clare Short: My department does not use a biking service for any of its press releases. They are sent by fax, post and through the Central Office of Information's News Delivery Service. Nine press releases were issued in this way between 1 January and 1 March 1997 and 12 between 1 May and 1 July.

TRADE AND INDUSTRY

Oil and Gas Developments

Mr. Dafis: To ask the President of the Board of Trade when she proposes to introduce regulations requiring environmental impact assessments for all oil and gas developments for which licenses are being sought. [7102]

Mr. Fabricant: To ask the President of the Board of Trade if she plans to initiate an environmental impact assessment on the development of oil fields west of the Shetland Islands. [8049]

Mr. Battle: I have today published for consultation draft regulations which would implement the Environmental Impact Assessment Directive (85/377 EC) as it applies to offshore oil and gas activities on the United Kingdom Continental Shelf.

Implementing the Directive for oil and gas projects will give the public improved rights of access to environmental information about projects likely to have significant effects on the environment and make the decision process more open than it is now. This should give people greater confidence that consent decisions are being made on the basis of proper science and thorough evaluation.

Member States are required by the Directive to consider environmental information which the interested public has had an opportunity to see and comment on before consent can be given to projects which could have a significant effect on the environment.

The draft Regulations would implement the Directive as it applies to consents for significant offshore oil and gas projects, including deep drillings, production developments and pipeline construction. They set out how the Secretary of State should decide which projects are likely to have significant effects on the environment and so require environmental assessments; the initial data companies must provide to permit that decision to be made; and, if one is required, the detailed information needed in any environmental statement.

They also require applicants to place notices to inform the public that an environmental statement has been required for a particular project and that copies of the statement can be obtained from or inspected at public addresses so that the public's views may be taken into account in reaching any decision on consent.

The proposed regulations would replace the Department's present procedures under which assessments have been required for developments within 25 miles of the coast or in other sensitive areas where recommended by the Government's statutory environmental advisers such as the Joint Nature Conservation Committee. These advisors will continue to be consulted under the new procedure.

The draft regulations have been sent to other Government departments and to the organisations normally consulted on oil and gas licensing, including the Wildlife and Countryside Links' Oil and Gas Environmental Consortium—which represents Friends of the Earth, the Marine Conservation Society and other national and regional environmental interest groups—and

a number of fishermen's organisations as well as oil and gas industry representatives. Copies have also been placed in the Libraries of both Houses of Parliament.

Comments on the proposed Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1997 should be made to the Department of Trade and Industry by 1 October 1997.

Coal Board Property Sales

Ann Clwyd: To ask the President of the Board of Trade (1) how the sale of National Coal Board Estates was conducted; how many tenders were received; and what were the criteria which decided that National Coal Board Estates be sold to Fell Estates Ltd; [7235]

(2) what assurances were *(a)* sought from and *(b)* given by Fell Estates Ltd. concerning the status of existing leaseholders; [7236]

(3) what assessment she had made of the sale of National Coal Board Estates to Fell Estates Ltd.; and if she will make a statement. [7234]

Mr. Battle: British Coal have undertaken a thorough trawl of their completed property sales and have been unable to find any record of selling any of their property to Fell Estates Ltd.

Information Technology

Mr. Martyn Jones: To ask the President of the Board of Trade what was the total spending in the United Kingdom on *(a)* computers, *(b)* telecommunications and *(c)* peripherals in 1996; what was the net monetary vale of United Kingdom exports of information technology for 1996; what is the sum of these figures as a percentage of total gross domestic product for that year; and if he will make a statement. [8715]

Mr. Battle: Figures for sales within the UK and of exports from the UK of the specified items in 1995 (the latest year for which complete information is available) are as follows:

£ million

	Total sales in UK	*UK exports*
Computers	10,362	7,540
Telecommunications equipment	3,749	1,859
Computer peripherals	1,061	417

The contribution of these industries to gross domestic product was 0.6 per cent.

Musical Instrument Industry

Mr. Dismore: To ask the President of the Board of Trade if she will take steps to encourage the United Kingdom domestic musical instrument manufacturing industry; and if she will make a statement. [9004]

Mr. Battle: The Government acknowledges the continuing contribution to the economy of the UK's musical instrument industry. However a changing world environment and intensified competition pose new challenges which must be overcome if the sector is to maintain and improve its performance. The Government is in regular contact with the sector through its representatives and is keen to continue this partnership for the future benefit of the sector.

Nuclear Power Stations

Mr. Baker: To ask the President of the Board of Trade when the licences expire in respect of each operating nuclear power station; and if she will list the stations where the operating licence has been extended, indicating for each station listed the dates of the expiry of the original licence and the dates of renewals granted. [8911]

Mr. Battle *[holding answer 16 July 1997]:* Nuclear site licences do not have set expiry dates. A licence remains in force until such time as either a new licence is granted for the site, the operator surrenders the licence, or it is revoked by the Health and Safety Executive.

As explained in my answer of 10 July 1997, *Official Report*, column *599*, subject to nuclear power stations continuing to meet the high standards of safety demanded by the Health and Safety Executive, decision on their closure are a matter for the operators.

Debt Payments

Mrs. May: To ask the President of the Board of Trade what consultations she has had with bodies representing industry, including small businesses, in preparation for the forthcoming Green Paper on the late payment of debt. [9102]

Mrs. Roche: I have met the following bodies representing all sizes and types of business: the Forum of Private Business, the Federation of Small Businesses, the Confederation of British Industry, the British Chamber of Commerce, the Institute of Directors, the British Bankers Association, the Union of Independent Companies, the Country Landowners Association, and the National Farmers Union. In addition, my officials have met interested parties, including the Credit Services Association.

We will continue to meet interested parties during the consultation period following the publication of the Green Paper.

Director General of Fair Trading

Helen Jones: To ask the President of the Board of Trade when she intends to publish the report by the Director General of Fair Trading for the year 1996. [9757]

Mr. Nigel Griffiths: The 23nd Annual Report by the Director General of Fair Trading has been published today. It covers the period from 1 January 1996 and 31 December 1996. Copies of the Report have been laid before Parliament.

Small Businesses

Mrs. May: To ask the President of the Board of Trade what is her Department's definition of small businesses. [9021]

Mrs. Roche: There is no single definition of a small business, mainly because of the wide diversity of businesses.

The question of an appropriate definition is meaningful only in the context of a specific measure for which it is considered necessary to separate one category of enterprises from another for reason of size.

In practice, a variety of definitions are adopted depending on the objective of the schemes or initiative. Such definitions are normally based upon the number of employees, but may also refer to turnover or other factors such as growth potential.

For statistical purposes the DTI usually uses the following definitions:

Micro firms: 0–9 employees

Small firms: 0–49 employees (includes micro businesses)

Medium firms: 50–249 employees

Large firms: 250+ employees.

Advice from Business

Mr. Redwood: To ask the President of the Board of Trade what action she has taken to ensure that Ministers in her Department receive advice from business. [8974]

Mr. Battle: Ministers and officials are in regular contact with business people representing all sectors and sizes of firms from across the country. In addition to consulting business and other interested parties from time to time on specific policy proposals, my right hon. Friend the President of the Board of Trade has initiated a more formal process of consultation with business on policies and priorities to improve competitiveness.

This initiative—Competitiveness UK—will include establishing an Advisory Group of prominent business people to advise the President on all aspects of competitiveness; holding a Business Summit on 23 July to establish common ground on a range of areas for further discussion; and creating a number of Working Parties drawn mainly from business to advise on specific aspects of competitiveness. This will help inform the development of policies for a White Paper on Competitiveness to be published next year.

Arms Export Licences

Mr. Forth: To ask the President of the Board of Trade if she will give for the Review of Criteria for Assessing conventional Arms Export Licences *(a)* the expected completion date and *(b)* the cost of conducting the review. [8235]

Mr. Tony Lloyd: I have been asked to reply.

The review of criteria used in considering licence applications to export conventional arms is being taken forward as a matter of urgency. We expect to complete the review in the next few weeks. It is being conducted by officials in the relevant Government departments as part of their regular duties. The cost of the review could be calculated only at disproportionate cost.

PRIME MINISTER

Amsterdam Treaty

Mr. Leigh: To ask the Prime Minister if he will list the representations he has received concerning the possible infringement of religious liberties under new article 6a of the proposed treaty of Amsterdam. [8789]

The Prime Minister: I have received a number of representations. The Foreign and Commonwealth Office, who lead on European matters, have also received a number of representations on this matter.

Computers (50th Anniversary)

Mr. Alasdair Morgan: To ask the Prime Minister what plans the Government have to commemorate the 50th anniversary on 21 June 1998 of the first running of a stored program on a computer at Manchester. [8285]

The Prime Minister *[holding answer 15 July 1997]:* The Government recognises the significance of this anniversary. The original stored-program computer, known as The Baby, was created at Manchester's Computer Science Department, and ran the first computer program on 21 June 1948. The Government welcomes an initiative of the computer conservation specialist group of the British Computer Society, to build a replica of the original machine, to mark the event. The replica is being built at Manchester University, with sponsorship from ICL.

Ethnic Minorities

Mr. Vaz: To ask the Prime Minister how many and what percentage of employees in his Policy Unit are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8970]

The Prime Minister: One Afro-Caribbean.

Lockerbie

Mr. Dalyell: To ask the Prime Minister, pursuant to his answer of 14 July, *Official Report*, column *43*, and the answer of 11 July, *Official Report*, column *626*, if he will transfer responsibility for the Lockerbie bombing investigation to the Metropolitan police. [9023]

The Prime Minister: Dumfries and Galloway Constabulary have from the outset conducted the Lockerbie Criminal Investigation. There is no reason to depart from that. The investigation relates to the mass murder of 270 people committed in Scotland. My noble and learned Friend, the Lord Advocate has responsibility for ensuring that crimes in Scotland are properly investigated and Section 12 of the Criminal Procedure (Scotland) Act 1995 authorises him to issue instructions to any Chief Constable with regard to reporting offences alleged to have been committed in his area. The transfer of this inquiry to the Metropolitan police would remove that power from the Lord Advocate in this case and would impede the proper investigation of it.

Mr. Dalyell: To ask the Prime Minister, pursuant to his answer of 14 July, *Official Report*, column *43*, what steps he proposes to bring to a conclusion the Lockerbie issue. [9024]

The Prime Minister: As I told my hon. Friend on 18 June, *Official Report*, column *509*, we will try every avenue to make progress in this matter, but the onus is on Libya to comply with the relevant United Nations Security Council Resolutions.

CULTURE, MEDIA AND SPORT

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Culture, Media and Sport what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8306]

Mr. Chris Smith *[holding answer 14 July 1997]:* All Departments are considering the case for reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

Mr. Bruce: To ask the Secretary of State for Culture, Media and Sport if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8305]

Mr. Smith *[holding answer 14 July 1997]:* The figures requested for my Department's spending plans within the Control Total are as follows: £875,285,000, £884,375,000, £883,977,000 and £899,727,000.

Stationery

Ms Walley: To ask the Secretary of State for Culture, Media and Sport how much his Department spent on stationery provision in respect of paper items in each of the last five years. [8869]

Mr. Tom Clarke: My Department was created in April 1992 by transferring certain areas of responsibility from six Departments. The 1992–93 figures are not available as the costs were partly met by these Departments. Expenditure for the last four years was:

1993–94: £12,519.74

1994–95: £23,480.20

1995–96: £25,127.51

1996–97: £27,630.39.

Television Licences

Mr. Todd: To ask the Secretary of State for Culture, Media and Sport how many people received a television licence at the £5 discount price *(a)* at the latest date for which data are available, *(b)* 12 months before that date and *(c)* 24 months before that date; and in each case what was the total cost of the scheme calculated against a colour licence. [9013]

Mr. Fisher: I understand from the BBC that the information is as follows:

March 1997—650,000 people; cost £54.9 million; colour licence fee—£89.50

March 1996—641,100 people; cost £52.2 million; colour licence fee—£86.50

March 1995—678,800 people; cost £54 million; colour licence fee—£84.50.

National Lottery

Mr. Grant: To ask the Secretary of State for Culture, Media and Sport when he expects to publish his White Paper on his proposals for the national lottery. [9826]

Mr. Chris Smith: The White Paper will be published on 21 July.

Tourism

Mr. Sanders: To ask the Secretary of State for Culture, Media and Sport what plans he has to review the role of those of his Department's bodies with responsibility for tourist *(a)* promotion, *(b)* registration and *(c)* accommodation standards; and if he will make a statement. [7900]

Mr. Tom Clarke: As "Breaking New Ground" made clear, we shall conduct a thorough review before putting forward any proposals for change. The timing and scope of this are currently under consideration.

Press Releases

Mr. Chidgey: To ask the Secretary of State for Culture, Media and Sport how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8816]

Mr. Tom Clarke: My Department does not bike press releases either to hon. Members or other recipients each time it issues a press release.

None of the 61 press releases issued in the period 1 May to 1 July or of the 59 issued in the period 1 January to 1 March were distributed by bike or courier. My Department uses fax, the Internet and the Central Office of Information's News Distribution Service which, inter alia, supplies my Department's Press Releases to the Parliamentary Online Information Service (POLIS), which is available on line to all hon. Members.

HOME DEPARTMENT

Huntingdon Life Sciences

Mr. Hancock: To ask the Secretary of State for the Home Department if the results of the investigation into Huntingdon Life Sciences currently being undertaken by the Home Office Animals (Scientific Procedures) Inspectorate will be made public with particular reference to any action taken against members of staff found guilty of cruelty to animals. [8337]

Mr. George Howarth: The personal licences of two individuals have been revoked. The police have charged these two individuals with offences under the Protection of Animals Act 1911.

We expect to issue a public statement about the outcome of the Home Office investigation and are currently seeking legal advice on its extent, nature and timing. Section 24 of the Animals (Scientific Procedures) Act 1986 prohibits the disclosure of information given in confidence and we must also avoid prejudicing the prosecutions being sought by the police.

Animal Experiments

Mr. Hancock: To ask the Secretary of State for the Home Department how many licences for experimentation on animals in the field of microsurgery have been applied for under the Animals (Scientific Procedures) Act 1986. [8661]

Mr. George Howarth: Twenty-four. Applications for microsurgical training are referred to the Animal Procedures Committee and are noted in the Committee's annual report.

Mr. Hancock: To ask the Secretary of State for the Home Department if he will list the members of the Animal Procedures Committee and their area of expertise. [8668]

Mr. Howarth: The information requested is as follows:

	Age of expertise
Professor Margaret Brazier	Law
Professor Ronald Anderson	Animal husbandry
Professor Margaret Boden	Philosophy and psychology
Professor Barry Bridges	Histology
Professor Fiona Broughton Pipkin	Perinatal physiology
Dr. David Christopher	Regulatory toxicology
Dr. Yvonne Cripps	Law
Professor Robin Dunbar	Primate behaviour
Professor Paul Flecknell	Comparative biology
Mr. John Gregory	Laboratory animal science
Professor Susan Iversen	Experimental psychology
Mrs. Judy MacArthur Clark	Veterinary science
Miss Cindy Milburn	Animal welfare
Dr. Iain Purchase	Toxicology
Dr. Jacqueline Southee	In-vitro toxicology
Professor Michael Spyer	Physiology
Dr. Anthony Suckling	Animal welfare
Professor John Turner	Evolutionary genetics
Mr. Les Ward	Animal welfare

Perjury

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department, pursuant to his answer of 10 July, *Official Report*, column *522*, when he expects the police investigation into the alleged perjury of Jonathan Aitken in the discontinued libel action against *The Guardian* to be concluded. [8736]

Mr. Michael: The Commissioner informs me that the investigation is being pursued as expeditiously as possible. When the investigation is complete, a report will be sent to the Crown Prosecution Service. This investigation is an operational matter for the Commissioner.

Foxhunting

Mr. Spring: To ask the Secretary of State for the Home Department if he will assess the impact on farmers' incomes of a ban on foxhunting. [7286]

Mr. George Howarth: A Private Member's Bill to ban hunting with hounds is currently before the House. This will provide the opportunity for Parliament to consider all the effects of a ban.

Press Releases

Mr. Chidgey: To ask the Secretary of State for the Home Department how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 Janaury to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8818]

Mr. Straw: No Home Office press releases are sent out by courier. In the period of 1 May to 1 July, my Department issued 41 press releases. In the period 1 Janaury to 1 March the number was 55. The Home Office uses both electronic distribution and fax to deliver press releases speedily to the media. In addition, all releases are placed on the Internet.

Homosexuals

Sir Nicholas Lyell: To ask the Secretary of State for the Home Department with regard to Application Number 28186/94 Euan Sutherland *v.* United Kingdom concerning the age of consent for homosexuals, if the United Kingdom's case includes the contention that such matters are within the margin of appreciation of each member state; in the event of the Government being minded to settle the case, what steps will be taken to ensure that the United Kingdom's rights in this respect are protected; and if he will make a statement. [8995]

Mr. Michael: The European Court of Human Rights recognises that states have a margin of appreciation in deciding, through a democratic process, how best to legislate in controversial areas. The Government welcome the Court's recognition of the importance of this doctrine in enabling countries to have distinctive, appropriate and fair controls that reflect genuine national differences. Social and moral questions, on which there can be widely differing opinions, will often fall within the margin of appreciation. In taking the view that the age of homosexual consent is a matter on which Parliament should decide what is appropriate for the United Kingdom, on the basis of a free vote, the Government again emphasise the importance of the margin of appreciation in such issues.

International Crimes

Mr. Dalyell: To ask the Secretary of State for the Home Department if he will ensure that responsibility for the investigation of major international crimes involving *(a)* foreign Governments and *(b)* state prosecutors in other countries is devolved to the Metropolitan police. [9022]

Mr. Michael: The investigation of crime is primarily a matter for the police force in whose area the offence occurred. All chief officers may call for, and be asked to provide, assistance in such investigations, whether the offence was committed in this country or elsewhere. The Metropolitan police exceptionally takes the lead in providing assistance in respect of hostage situations involving British citizens abroad. As the present arrangements are tried and tested, I see no reason to change them.

Asylum Seekers

Mr. Stephen Twigg: To ask the Secretary of State for the Home Department how many applications for asylum were lodged *(a)* at the point of entry, *(b)* in country and *(c)* in total, in each month since January 1996; and how many asylum applications were awaiting an initial decision as at the end of each month since January 1996. [9756]

Mr. Mike O'Brien: The information requested is given in the table and takes into account recent upward revisions to the number of in-country asylum applications lodged between September 1996 and May 1997. Due to an error in the method of calculation, certain in-country applications were not recorded in the monthly totals during this period.

Applications[1] received for asylum in the United Kingdom, excluding dependants, by location of application, and applications awaiting an initial decision, January 1996 to May 1997

Principal applicants

	Number of asylum applications			
	Lodged at port	*Lodged in-country*	*Total*	*Applications awaiting an initial decision[2]*
1996				
January	1,070	2,240	3,310	69,765
February	975	1,880	2,850	69,160
March	985	2,160	3,145	69,165
April	760	1,310	2,070	67,730
May	740	1,010	1,755	66,400
June	805	925	1,730	64,700
July	835	1,680	2,515	63,265
August	905	1,230	2,140	62,000
September	1,205	[3]980	[3]2,185	[3]60,455
October	1,270	[3]1,540	[3]2,810	[3]58,970
November	1,180	[3]1,270	[3]2,450	[3]57,415
December	1,710	[3]975	[3]2,685	[3]57,405
Total 1996	12,440	[3]17,205	[3]29,640	n/a
1997				
January	1,210	[3]1,505	[3]2,715	[3]56,640
February	1,135	[3]1,340	[3]2,475	[3]55,820
March	1,210	[3]950	[3]2,160	[3]54,950
April	1,385	[3]1,280	[3]2,665	[3]54,020
May	1,365	[3]1,230	[3]2,590	[3]53,545
Total 1997 (January to May)	6,310	[3]6,300	[3]12,605	n/a

[1] Provisional figures rounded to the nearest 5.

[2] Number of applications awaiting an initial decision as at end of month.

[3] Revised.

n/a = not applicable.

ATTORNEY-GENERAL

Crime Victims and Witnesses

32. **Dr. Julian Lewis:** To ask the Attorney-General what discussions he has had with the Home Secretary about the care of victims of crime and of witnesses. [7311]

The Attorney-General: It is not my practice to give details of meetings with Ministerial colleagues on particular topics. I have frequent discussions with my right hon. Friend, the Home Secretary about Departmental matters of members interest. As regards fulfilment of our commitment to improving the position of victims and those who give evidence in court, I refer the hon. Member to the answer given by the Home Secretary on 3 July, *Official Report*, columns *235–37.*

Serious Fraud Office

33. **Mr. Winnick:** To ask the Attorney-General if he will make a statement on the work of the Serious Fraud Office. [7312]

The Attorney-General: The aim of the Serious Fraud Office remains to investigate and prosecute serious and complex fraud and so deter fraud and maintain confidence in the probity of business and financial services in the United Kingdom. To this end since 5 April 1996 the SFO has secured the conviction of 26 defendants out of 29 prosecuted.

Crown Prosecution Service

Mr. Forth: To ask the Attorney-General if he will give for the proposed review of the Crown Prosecution Service *(a)* the expected completion date and *(b)* the cost of conducting the review. [8250]

The Attorney-General: Sir Iain Glidewell is aiming to report by the end of the year.

No firm estimate as to the likely cost is yet available.

Lenient Sentences

Mr. Lansley: To ask the Attorney-General how many sentences considered unduly lenient he has sought leave to refer to the Court of Appeal since 1 May. [7313]

The Attorney-General: I refer the hon. Member to the answer I gave earlier today to the hon. Member for Christchurch (Mr. Chope).

SCOTLAND

NHS Operations (Cancellations)

Mr. Wallace: To ask the Secretary of State for Scotland how many people were admitted to hospital for surgery and subsequently discharged without the operation having taken place in each NHS hospital trust or health board hospital in the period 1 October 1996 to 31 March 1997. [6854]

Mr. Galbraith *[holding answer 4 July 1997]:* I regret that information on cancellations of operations in the level of detail requested is not collected. The figures for cancellations of planned admissions for in-patient and day case treatment during the period 1 October 1996

to 31 March 1997 are given in the table. The number of cancellations involved is very small in relation to the total number of admissions. The Government and the NHS in Scotland are working to reduce to as few as possible the number of occasions when patients have their operations cancelled.

Cancellation of planned admissions by NHS hospitals during the period 1 October 1996 to 31 March 1997 [1]

	Number
Aberdeen Royal Hospitals NHS Trust	670
Angus NHS Trust	25
Borders General Hospital NHS Trust	174
Caithness and Sutherland NHS Trust	11
Dumfries and Galloway Acute and Maternity Hospitals NHS Trust	20
Dundee Teaching Hospitals NHS Trust	374
East and Midlothian NHS Trust	126
Edinburgh Sick Children's NHS Trust	28
Falkirk and District Royal Infirmary NHS Trust	40
Glasgow Royal Infirmary University NHS Trust	354
Grampian Healthcare NHS Trust	12
Hairmyres and Stonehouse Hospitals NHS Trust	49
Highland Communities NHS Trust	13
Inverclyde Royal NHS Trust	110
Kirkcaldy Acute Hospitals NHS Trust	157
Law Hospital NHS Trust	7
Lomond Healthcare NHS Trust	68
Monklands and Bellshill Hospitals NHS Trust	64
Moray Health Services NHS Trust	136
North Ayrshire and Arran NHS Trust	24
Orkney Health Board Unit	13
Perth and Kinross Healthcare NHS Trust	52
Queen Margaret Hospital NHS Trust	291
Raigmore Hospital NHS Trust	434
Royal Alexandra Hospital NHS Trust	221
Royal Infirmary of Edinburgh NHS Trust	691
Shetland Hospitals and Community NHS Trust	9
South Ayrshire Hospitals NHS Trust	54
Southern General Hospital NHS Trust	72
Stirling Royal Infirmary NHS Trust	88
Stobhill NHS Trust	33
The Victoria Infirmary NHS Trust	153
The Yorkhill NHS Trust	39
West Glasgow Hospitals University NHS Trust	165
West Lothian NHS Trust	222
Western General Hospitals NHS Trust	241
Western Isles Health Unit	7
Scotland	5,247

[1] Provisional.

Mr. Wallace: To ask the Secretary of State for Scotland how many patients awaiting operations were informed by letter of the cancellation of their hospital admission for the operation in respect of each NHS hospital trust and health board hospital during the period 1 October 1996 to 31 March 1997. [6855]

Mr. Galbraith *[holding answer 4 July 1997]:* I regret that information on cancellations of operations in the level of detail requested is not collected. The figures for cancellations of planned admissions for in-patients and day case treatment during the period 1 October 1996 to 31 March 1997 are given in the table. The number of cancellations involved is very small in relation to the total number of admissions. The Government and the NHS in Scotland are working to reduce to as few as possible the number of occasions when patients have their operations cancelled. I would expect all hospitals to notify patients of the cancellation of their admission for treatment as soon as possible and by the most appropriate method.

Cancellation of planned admissions by SHS hospitals during the period 1 October 1996 to 31 March 1997 [1]

	Number
Aberdeen Royal Hospitals NHS Trust	670
Angus NHS Trust	25
Borders General Hospital NHS Trust	174
Caithness and Sutherland NHS Trust	11
Dumfries and Galloway Acute and Maternity Hospital NHS Trust	20
Dundee Teaching Hospitals NHS Trust	374
East and Midlothian NHS Trust	126
Edinburgh Sick Children's NHS Trust	28
Falkirk and District Royal Infirmary NHS Trust	40
Glasgow Royal Infirmary University NHS Trust	354
Grampian Healthcare NHS Trust	12
Hairmyres and Stonehouse Hospitals NHS Trust	49
Highland Communities NHS Trust	13
Inverclyde Royals NHS Trust	110
Kirkcaldy Acute Hospitals NHS Trust	157
Law Hospital NHS Trust	7
Lomond Healthcare NHS Trust	68
Monklands and Bellshill Hospitals NHS Trust	64
Moray Health Services NHS Trust	136
North Ayrshire and Arran NHS Trust	24
Orkney Health Board Unit	13
Perth and Kinross Healthcare NHS Trust	52
Queen Margaret Hospital NHS Trust	291
Raigmore Hospital NHS Trust	434
Royal Alexandra Hospital NHS Trust	221
Royal Infirmary of Edinburgh NHS Trust	691
Shetland Hospitals and Community NHS Trust	9
South Ayrshire Hospital NHS Trust	54
Southern General Hospital NHS Trust	72
Stirling Royal Infirmary NHS Trust	88
Stobhill NHS Trust	33
The Victoria Infirmary NHS Trust	153
The Yorkhill NHS Trust	39
West Glasgow Hospitals University NHS Trust	165
West Lothian NHS Trust	222
Western General Hospitals NHS Trust	241
Western Isles Health Unit	7
Scotland	5,247

[1] Provisional.

Local Authority Pension Funds

Mr. Jenkin: To ask the Secretary of State for Scotland if he will make an assessment of the additional amounts that local authorities in Scotland will have to pay into their pension funds as a result of the proposed changes to advance corporation tax; and from where these moneys will be provided. [7342]

Mr. Chisholm *[holding answer 8 July 1997]:* The funding of local authority pension funds is a matter for local authorities. Although the loss of tax credits will have some impact on the income of local authority pension funds, the extent to which these changes feed through to authorities' budgets will depend on the overall judgements made by the funds' actuaries as they undertake subsequent revaluations to the funds. In addition, pension funds should benefit from improved company performance as a result of the reduction in Corporation Tax and other measures in the Budget to encourage quality long term investment.

Scottish Parliament

Mr. Colvin: To ask the Secretary of State for Scotland if he will make a statement on the date of the Scottish Assembly referendum. [7662]

Mr. McLeish: The referendum on the establishment and tax-varying powers of a Scottish Parliament will be held by this Autumn. My noble Friend Lord Sewel gave an undertaking during Committee on the Referendums (Scotland and Wales) Bill in another place that the Government would announce the date of the referendum by Report. [House of Lords O.R. Volume 581 Number 25. Column 103]. On the currently envisaged timetable, the date will therefore be announced by 21 July.

Mr. Dalyell: To ask the Secretary of State for Scotland if he will make a statement on the Minister of State's meeting with Professor J.D. Percy and colleagues of the Accounts Commission on arrangements and responsibilities for a Scottish Parliament. [9109]

Mr. McLeish: I have agreed to meet with Professor Percy and the Accounts Commission but have yet to arrange a date.

Mr. Ernie Ross: To ask the Secretary of State for Scotland if he will make a statement on the date of the referendum to be held in Scotland on the establishment of a Scottish Parliament. [9825]

Mr. Dewar: Subject to the Referendums (Scotland and Wales) Bill receiving Royal Assent, the referendum on our proposals for a Scottish Parliament will be held on Thursday 11 September 1997.

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Scotland on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8065]

Mr. Dewar: It would not be practicable for Ministers and officials, among their other duties, to check requests for meetings against the Register of Members' Interests. The First Report of the Nolan Committee made it clear that, when hon. Members are meeting Ministers on matters in which they have an interest, the onus is on the Member to declare that interest and not on the Minister to know of it (Cm 2850 paragraph 2.63).

Mr. Campbell-Savours: To ask the Secretary of State for Scotland if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8062]

Mr. Dewar: The First Report of the Nolan Committee (Cm. 2850) recognised the value of enabling hon. Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the Rules of the House relating to delegations to Ministers, hon. Members are free to seek meetings relative to such interests with Ministers and officials. Such requests are considered alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Scotland (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8063]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8064]

Mr. Dewar: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn) on 2 June *Official Report*, column *99*, Ministers and officials receive deputations from many groups who are concerned to press their own interests or those of their clients. These are considered in the context of the wider public interest and of Government policy. As it is not practicable to distinguish particular groups as lobbyists, I do not propose to introduce a register of such meetings.

Multi-storey Flats (Glasgow)

Mr. David Marshall: To ask the Secretary of State for Scotland what is the total number of housing units in Glasgow classified as multi-storey flats; and how many of these are unoccupied at the last date for which figures are available. [8245]

Mr. Chisholm: Information on the number of dwellings by type and location is available only for dwellings owned by local authorities. At 1 April 1996, the latest date for which information is available, there were 23,145 local authority dwellings in Glasgow classified as high rise flats. Information on unoccupied dwellings (vacant stock) is collected from local authorities, but not specifically by type of dwelling.

Less-favoured Areas

Mr. Welsh: To ask the Secretary of State for Scotland what plans he has to propose extension of less-favoured area status in Scotland. [7275]

Mr. Chisholm: My right hon. Friend has no plans to propose an extension to the less favoured areas in Scotland.

Beaufort's Dyke

Mr. Alasdair Morgan: To ask the Secretary of State for Scotland if he will provide details of the nature of material, quantity and degree of radioactivity of the radioactive material dumped in Beaufort's Dyke in the 1950s. [8721]

Mr. Chisholm: I refer the hon. Member to the reply given by my right hon. Friend the Secretary of State for Scotland on 8 July 1997, *Official Report*, columns *427-28*.

As indicated therein copies of the relevant documentation, containing such information as is available, have been placed in the Library of the House.

Skye Bridge

Mr. Charles Kennedy: To ask the Secretary of State for Scotland if he will institute an immediate review by a senior advocate of the Skye Bridge toll order. [9153]

Mr. Dewar: The Invergarry–Kyle of Lochalsh Trunk Road (A87) Extension (Skye Bridge Crossing) Toll Order 1992 sets out the tolling regime for the bridge. My officials will consider the terms of the Toll Order in the light of the decision of the High Court in the appeal and my decision on toll levels for regular users set out in my reply to the hon. Member on 4 July, *Official Report*, columns *288–90*. There is no case for the wider review suggested.

Mr. Kennedy: To ask the Secretary of State for Scotland if he will review the costs to public funds of buying out the Skye Bridge contract. [9152]

Mr. Dewar: The exit value of the contract is governed by the terms of the concession agreement with the operator. My Department calculated an estimate of the cost of termination of the contract on those terms as part of my delivery of our manifesto commitment to review the toll regime. All information relevant to that calculation is known to my Department and there would be no basis or purpose for a review.

Mr. Kennedy: To ask the Secretary of State for Scotland if he will suspend Skye Bridge toll collection pending the hearing of the appeal; and what powers he has to pay interim recompense to Skye Bridge Ltd. pending the outcome of the appeal. [9155]

Mr. Dewar: No. Accordingly the question of paying interim recompense does not arise.

AGRICULTURE, FISHERIES AND FOOD

Food Safety

5. **Ms Jenny Jones:** To ask the Minister of Agriculture, Fisheries and Food what measures his Department is taking to ensure higher standards of food safety. [7279]

Mr. Rooker: Our top priority is the creation of a Food Standards Agency to raise standards of food safety. But we are not waiting for the creation of the Agency: we are reviewing all of the work of the Department to ensure we have in place the right policies and procedures to deliver the highest standards of food safety.

Farm Animal Welfare

15. **Mr. Mullin:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to improve farm animal welfare; and if he will make a statement. [7291]

Mr. Morley: We have already implemented new rules on welfare in transit, commissioned an urgent review of pre-export enforcement arrangements for live animals, and secured an amendment to the Treaty of Rome which recognises animals as sentient beings.

We shall be announcing further initiatives shortly.

Beef Farmers

16. **Mr. Barry Jones:** To ask the Minister of Agriculture, Fisheries and Food what plans he has for additional assistance to beef farmers. [7292]

Dr. Jack Cunningham: Substantial sums of money have already been spent on helping the industry. In the circumstances and in view of the need for tight control on public expenditure, I have no current plans to make additional payments to beef producers to compensate them for the relatively low level of beef prices.

Open Government

17. **Dr. Tony Wright:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to publish more information under the provisions of the open government code. [7293]

Mr. Morley: I am fully committed to maximising openness both under the Code of Practice and in the proposed Freedom of Information Bill and am making steps to improve availability of information.

Food Imports

18. **Mr. Ian Taylor:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to introduce new controls on imported food. [7294]

Mr. Rooker: I assume that this question refers to our proposals to extend existing UK rules on Specified Bovine Material (SBM) to bovine material that has been imported. SBM may not be used in human or animal food or in cosmetic, pharmaceutical or medical products. I refer the hon. Member to the answer given to my hon. Friend, the Member for Harrow, West (Mr. Thomas) on 5 June, *Official Report*, columns *227–228*, by my right hon. Friend the Minister of Agriculture, Fisheries and Food.

Cereal Growers (Green Pound)

19. **Mr. Lansley:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the impact of revaluations of the green pound on cereal growers. [7295]

Dr. Jack Cunningham: Market prices for cereals have fallen significantly over the past twelve months but it is difficult to say how much of this is due to green pound revaluations and how much to other factors. Arable area payments to farmers in 1997 have been substantially protected from the effects of recent revaluations under arrangements agreed by the EU Agriculture Council in March this year.

Diet

20. **Mr. Cohen:** To ask the Minister of Agriculture, Fisheries and Food what role his Department plays in *(a)* compiling and *(b)* disseminating information about healthy diets. [7296]

Mr. Rooker: In order to ensure that healthy eating advice is based on firm scientific grounds, the Ministry supports a programme of research and, together with the Department of Health, a surveillance programme of the diet of the population.

The Ministry, working closely with the Department of Health and the Health Education Authority, develops literature on healthy eating based on this information and on expert advice from the Committee on Medical Aspects of Food and Nutrition Policy (COMA), and disseminates a range of materials to the general public and to health professionals.

Agri-environment schemes

21. **Mr. Todd:** To ask the Minister of Agriculture, Fisheries and Food what role the Government's plans for agri-environment schemes will play in its proposals for reform of the common agricultural policy. [7298]

Mr. Morley: In the forthcoming negotiations on CAP reform the Government will press for progressive cuts in production-related support and for a part of the resultant savings to be used for targeted measures to help rural areas, including through agri-environment schemes.

25. **Mr. Reed:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the Government's policy in respect of agri-environment schemes. [7302]

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food what economic measures he is assessing to direct United Kingdom agriculture towards more ecologically sustainable systems; and if he will make a statement. [8500]

Mr. Morley: I refer my hon. Friends to the reply given to my hon. Friend, the Member for Wolverhampton, North-East (Mr. Purchase) on 16 July, *Official Report*, column *184*.

Sheepmeat and Goatmeat Imports

22. **Mr. Gray:** To ask the Minister of Agriculture, Fisheries and Food if he will ban the import of sheepmeat and goatmeat form countries where there is no requirement for the removal of specified offals in ovines. [7299]

Mr. Rooker: No. The specified materials of sheep and goats that are currently prohibited from sale for human consumption in the UK are the heads, excluding the tongue, unless from Australia or New Zealand.

Following advice form the Spongiform Encephalopathy Advisory Committee my right hon. Friend announced on 5 June proposals for legislation to extend the list of specified materials to include the spleen of all animals and the spinal cord of animals over 12 months of age. These additional measures would apply to animals slaughtered in the UK and to sheepmeat and goatmeat imported into the UK, other than from New Zealand and Australia.

Common Agricultural Policy

23. **Mr. Drew:** To ask the Minister of Agriculture, Fisheries and Food what plans he has for speeding up change to the common agricultural policy; and what policy priorities he will promote in its place. [7300]

Mr. Rooker: The Government's objective is to secure a more market-oriented Common Agricultural Policy (CAP) through the phasing out of production related support. The Commission is expected to produce legislative proposals for reform of several key sectors of the CAP later this year. Making progress on discussion of these will be a priority for the UK Presidency of the Agriculture Council.

Mr. Peter Bradley: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his discussions with his European Union counterparts about the reform of the common agricultural policy. [8722]

Mr. Rooker: My right hon. Friend, the Minister, has had a number of discussions with the Commission and with Ministers of other Member States, in which he has made clear the need for early radical reform of the CAP. The strength of our argument has been broadly accepted by the Commission in its "Agenda 2000" paper which was published yesterday. We look forward to leading the debate on this and on the legislative proposals for reform which the Commission should produce later in the year.

Milk Quotas

26. **Mr. Alasdair Morgan:** To ask the Minister of Agriculture, Fisheries and Food what plans he has to reform the system of milk quotas. [7303]

Dr. Jack Cunningham: Reforming the CAP dairy regime and its system of milk quotas is a high priority for the Government. I shall continue to press in the Agriculture Council for cuts in support prices and the removal of quotas, to be accompanied by time limited, degressive and non-discriminatory aid payments to dairy farmers, decoupled from production, in order to facilitate adjustment to these reforms.

Beef Export Ban

Ms Roseanna Cunningham: To ask the Minister of Agriculture, Fisheries and Food when he will next meet his European counterparts to discuss the next steps towards lifting the beef export ban. [7301]

Dr. Jack Cunningham: I will be attending the Agriculture Council on 22–23 July. Although the lifting of the export ban is not on the agenda for this meeting, I will be taking every opportunity to raise this as appropriate in the informal discussions which take place in the margins of these meetings.

Fish Breeding

Mr. Dalyell: To ask the Minister of Agriculture, Fisheries and Food what action he is taking to implement the recommendations on fish-breeding areas in the report chaired by Lord Perry. [7158]

Mr. Morley: The House of Lords Select Committee on Science and Technology recommended that consideration should be given to the establishment under the Common Fisheries Policy of a system requiring fishermen to report to the authorities if there is a high proportion of juvenile fish in their catch. Following receipt of such a report the area should be surveyed by the appropriate national authority and, providing that the report is verified, the area should be closed until the juvenile fish have dispersed.

Following the Committee's report, the Centre for Environment, Fisheries and Aquaculture Science (CEFAS) undertook a review of the feasibility of operating temporary closures of areas with large numbers

of juvenile fish. They concluded that, where the nursery areas are large, permanent and contain high concentrations of juveniles that are discarded, then it is to the benefit of the fishery to close such areas on a permanent or temporary basis. This applies primarily to flatfish nursery grounds, for which there is already a closed area known as the Plaice Box, and the Government is seeking to improve the effectiveness of the Plaice Box in current negotiations on a European Commission proposal for new technical conservation measures.

For the large stocks of roundfish, the juveniles are much more dispersed and their distribution is more dynamic. For these stocks CEFAS concluded that temporary closure of areas in the way proposed by the Committee does not appear to be a practical proposition, and monitoring and enforcement would be costly. However, there are a number of fixed areas which are closed to different types of fishing to protect young roundfish and pelagic fish. The Norway Pout Box, off eastern Scotland, protects young haddock and other gadoids from small mesh industrial fisheries. The Mackerel Box off south Cornwall protects juvenile mackerel. Many herring spawning grounds are protected as the vulnerable spawn are densely laid on the gravel seabed. The UK has also introduced restrictions on fishing in the estuarine nursery areas of bass.

The scope for further measures to protect juvenile fish is being explored in the negotiations on new EC technical conservation rules.

Beef (Consumer Confidence)

Mr. Pike: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the level of consumer confidence in British beef in the United Kingdom; and if he will bring this information to the attention of the Council of Agriculture Ministers. [7297]

Mr. Morley: We have seen significant improvements in the level of beef consumption since March 1996. Most recently McDonald's and Burger King have announced that they will be using British beef again. We see this as further evidence that confidence in British beef is returning. The level of consumption will no doubt feature in discussion at future Councils of Agriculture Ministers.

Press Releases

Mr. Chidgey: To ask the Minister of Agriculture, Fisheries and Food how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8824]

Mr. Morley: MAFF does not use motor-cycle messengers to deliver press releases. These are made available to hon. Members, to the media and other interested parties via both the Central Office of Information's News Distribution Service (NDS) and direct mailing.

The COI's NDS delivery mechanisms include a newswire service which supplies press releases to the Parliamentary Online Information Service (POLIS) [which can be accessed by all MPs and Lords], hand deliveries, fax and postal deliveries, online databases, and a widely accessed [World Wide] Web site on the Internet.

MAFF also has a website containing its press notices which is updated daily and used by journalists and other individuals and organisations.

The Department keeps a watching brief on new developments in information transmission to ensure the most cost-effective delivery mechanisms are used at all times.

In the period 1 May to 1 July 1997, MAFF issued 65 press notices and in the period 1 January to 1 March issued 67 press notices.

Food (Chemical Contamination)

Mr. Fabian Hamilton: To ask the Minister of Agriculture, Fisheries and Food what statistics his Department holds on chemical contamination incidents involving foodstuffs; and if they are available to the public. [9760]

Mr. Rooker: The Department compiles annual reports on all such incidents reported to it. These reports are available to inquirers, free of charge. The latest report by the Department's Incident Response Team, entitled "Food Protection 1996" has been placed in the Library of the House.

Cattle Slaughter Scheme

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food how many cattle have been slaughtered to date under the Selective Cull scheme; and at what cost to public funds. [7379]

Mr. Rooker: The total number of animals slaughtered under the Selective Cull scheme as at 9 July was 11,304.

Scheme expenditure to 4 July 1997 was £9,063,800.77, which is broken down as follows:

	£
Compensation	8,106,720.82
Incineration	5,128.87
Slaughter fees	483,467.19
Rendering fees	241,821.69
Storage and transport	226,662.20

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food how many cattle have been slaughtered to date under the over 30 months scheme; and at what cost to public funds. [7380]

Mr. Rooker: As at 30 June 1997, 1.533 million animals have been slaughtered under the Over Thirty Months Scheme, at a cost of:

	£ million
Compensation	751.780
Slaughter	91.735
Rendering, incineration and hides	89.806
Storage and Transport	56.357
Total	989.678

Old Documents

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what is the date and title of the oldest document or archival unit retained by his Department which has not been passed on to the Public Records Office for release for public inspection. [7201]

Mr. Morley *[holding answer 8 July 1997]:* The earliest records held by my Department date from 1940 and consist of three documents which form part of Public Record Office Class MAF 152: Ministry of Food war history papers (1914 to 1962).

Rodent Control

Ms Atherton: To ask the Minister of Agriculture, Fisheries and Food when the next national rodent survey will be undertaken. [8447]

Mr. Morley: Information on the level of rat and mice infestation is being collected as part of the Department of the Environment, Transport and the Regions' 1996 English House Condition Survey. The results of the survey are expected to be published towards the end of this year.

Ms Atherton: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the recommendations of the Chartered Institute of Environmental Health relating to Government responsibility for rodent control; and if he will make a statement. [8449]

Mr. Morley: The recommendations of the Chartered Institute of Environmental Health were made following publication of the 1993 National Rodent Survey and they were fully considered at the time. The position will be reviewed after the results of the 1996 English House Condition Survey on rodent infestation are known later this year.

Ms Atherton: To ask the Minister of Agriculture, Fisheries and Food what requirements are placed upon local authorities to *(a)* record and *(b)* respond to incidents of rat infestation. [8442]

Mr. Morley: Under the Prevention of Damage by Pests Act 1949, local authorities are required to keep their districts as free as practicable from rats and mice and to carry out such inspections as may be necessary for this purpose. The Act requires occupiers of land, other than agricultural land, to give notice in writing to the local authority of rodent infestations.

Ms Atherton: To ask the Minister of Agriculture, Fisheries and Food what proposals he has to bring about a reduction in levels of rat infestation in domestic properties. [8452]

Mr. Morley: Although the results of the 1993 National Rodent Survey showed that there had been a small increase since the late 1970s in the level of rat infestation in properties used for domestic purposes, overall, the survey did not provide sufficient evidence to warrant a change in current rodent control policies. The situation will be reviewed in the light of the 1996 survey, the results of which are expected to be published towards the end of this year.

Ms Atherton: To ask the Minister of Agriculture, Fisheries and Food how many rat infestations were recorded *(a)* in total and *(b)* by local authority for each year since 1990. [8443]

Mr. Morley: In 1993, 4.8 per cent. of properties were infested with rats. This information is not available at the level of local authority due to the small sample size. Figures are not available for other years.

Ms Atherton: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the factors underlying the growth in the incidence of rat infestation in domestic properties. [8448]

Mr. Morley: Rodent numbers can be affected by a number of factors including climate, food availability, level and effectiveness of control, availability of breeding sites and levels of predators. The 1996 English House Condition Survey, the results of which will be available later this year, will provide more detailed information about levels of rodent infestation.

National Parks

Mr. Fearn: To ask the Minister of Agriculture, Fisheries and Food what specific grants are available to encourage the adoption of environmentally sound practices in agriculture in the national parks. [8507]

Mr. Morley: MAFF operates a wide-ranging package of voluntary incentive schemes which are available to farmers in the national parks. In addition, the national parks have their own schemes.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Minister of Agriculture, Fisheries and Food what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8298]

Mr. Morley *[holding answer 14 July 1997]:* All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

Mr. Bruce: To ask the Minister of Agriculture, Fisheries and Food if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8295]

Mr. Morley: The figures requested for the Department's spending plans within the Control Total are as follows: £3,541 million, £3,149 million, £3,452 million and £3,201 million.

BSE

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the study from Oxford University on horizontal transmission of BSE, with particular regard to its relationship to stocking density; and if he will make a statement. [8695]

Mr. Rooker: Professor Anderson, who heads the team at Oxford University, was a member of the epidemiology sub group of the Spongiform Encephalopathy Advisory Committee (SEAC) which advised Government on maternal transmission. That advice was made public through a MAFF press notice issued on 18 April 1997, copies of which are available in the Library of the House.

I understand that Professor Anderson's team are shortly to publish further papers. Professor Anderson has recently been reported as saying that the higher incidents of BSE in larger herds, as compared with smaller herds, could be due to one of two factors, either:

(i) greater use of concentrated cattle feed in larger herds; or

(ii) horizontal transmission from cow to cow as opposed to maternal transmission which is from a cow to its own calf.

Professor Anderson went on to say that he was not able, on the basis of the information available to him, to distinguish between these two hypotheses.

The variation in risk according to herd size is one of a number of observations first published by scientists from the Central Veterinary Laboratory, Weybridge in the Veterinary Record in 1992. I am putting a copy of that paper in the Library of the House. The view of my own advisers is that the more likely explanation for the higher incidents in the larger herds is more intensive use of animal feed in such herds as this ties in with certain other epidemiological observations, including the fact that a number of large herds which had a high incidence of BSE have, as a result of changing feed patterns, eradicated BSE within those herds which had been free for some years. This explanation argues in favour of the feed rather than the horizontal transmission hypothesis.

I must emphasise that Professor Anderson was talking about research findings not yet published and I will of course look to the independent advisory committee, SEAC, for further analysis of this work.

Tuberculosis

Mr. Clifton-Brown: To ask the Minister of Agriculture, Fisheries and Food if he will review the compensation levels for farmers with cattle affected by tuberculosis. [8833]

Mr. Rooker: It would be inappropriate to review compensation while Professor Krebs' Committee is looking at badgers and bovine tuberculosis.

Mr. Clifton-Brown: To ask the Minister of Agriculture, Fisheries and Food when he expects to receive the Krebs report on future policy in relation to badgers and tuberculosis. [8832]

Mr. Rooker: Later this year.

Broiler Chickens

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what representations he has received concerning the need for legislation to protect broiler chickens; and if he will make a statement. [8657]

Mr. Morley: The Government intends to ensure that the broiler industry works to high welfare standards. Work on a new welfare code is already in hand. I have received various representations that there is a case for further legislation and will consider this in the light of developments here and in Europe.

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the number of broiler chickens which suffer from *(a)* leg disorders and *(b)* heart disease because of rapid body growth. [8658]

Mr. Morley: *(a)* It is not possible to give a simple estimate of the number of broiler chickens which suffer from leg disorders. Those that occur may be the result of one, or a combination of, a number of different factors. The severity of the effect on individual birds will also be subject to variation.

(b) I know of no scientific data which allows for conclusions to be drawn on any direct relationship between rate of growth and the incidence of heart disease in broiler chickens.

Hunting Ban (Disposal of Stock)

Mr. Clifton-Brown: To ask the Minister of Agriculture, Fisheries and Food what alternative arrangements he is considering for the disposal of fallen stock and destruction of animal casualties if hunting were banned. [8843]

Mr. Rooker: There are already arrangements for disposing of fallen stock and the destruction of animal casualties other than via hunt kennels. Disposal can be by rendering at an approved rendering plant, incineration or burial, in accordance with the provisions of the Animal By-Products Order 1992 (as amended). This Order also provides for certain premises to receive fallen stock, including knackers' yards: knackermen will usually be licensed slaughtermen for the purpose of killing animal casualties.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Contaminated Land

Mr. Bennett: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to lay new regulations about contaminated land. [7874]

Angela Eagle: We hope shortly to be able to make an announcement of how we propose to proceed regarding the implementation of the contaminated land provisions in Part IIA of the Environmental Protection Act 1990 (inserted by section 57 of the Environment Act 1995).

Voluntary Sports Clubs

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions what is his

assessment of the cost of granting mandatory rate relief to voluntary sports clubs in England and Wales; and if he will make a statement. [7991]

Mr. Raynsford: We have insufficient data on which to make a reliable estimate of the cost of granting mandatory rate relief to voluntary sports clubs. However, we are currently reviewing the basis on which voluntary sports clubs are eligible for rate relief.

Water Companies

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those water companies which offer lower drainage charges where a property does not drain surface water into a public sewer; and if he will ensure that all water companies are obliged to offer such a charge. [8462]

Angela Eagle: Lower drainage charges for customers who do not receive a surface water drainage service are offered by three water companies: North West Water, Severn Trent Water and (for customers with rateable values over £7000) Northumbrian Water. Customers are liable for sewerage service charges and companies are not obliged to offer this rebate. The Director General of Water Services, however, would not like to see customers charged for a service which is not provided, and has raised this matter in discussion with companies.

Construction Industry

Mrs. Ann Cryer: To ask the Secretary of State for the Environment, Transport and the Regions, if he will list the membership of each of his Department's non-departmental public bodies with responsibility for the construction industry, indicating their functions and terms of reference; and if he will make a statement on their role in respect of Government policy in the construction industry. [8458]

Mr. Raynsford: There are four such bodies.

BUILDING REGULATIONS ADVISORY COMMITTEE

Chairman:

Professor Jack Anderson

Members:

Mr. Ken Blount
Mr. Norman Bright MBE
Mr. Graham Butler
Mr. James Carter
Mr. Henry Dawson
Mr. Michael Finn
Mr. Stuart Holt
Professor Patrick O'Sullivan OBE
Miss Pat Tindale
Professor John Wiltshire.

The Committee is established under Section 14 of the Building Act 1984 to advise the Secretary of State on the exercise of his power to make building regulations, and on other subjects connected with building regulations.

BRITISH BOARD OF AGRÉMENT

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Mr. A. J. Jackson CBE

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Miss. P. Tindale
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The British Board of Agrément (BBA), established in 1966, assesses and certifies the performance of construction products and materials which are new or innovative or for which no technical standards exist. Agrément Certificates are recognised within the Approved Document to Building Regulation 7 as a means of establishing a product's fitness for use.

BBA also provides important services in relation to implementation of the Construction Products Directive, representing the UK in the European Organisation for Technical Approvals (EOTA), and in the European Union of Agrément. BBA currently holds the Presidency of EOTA.

Although BBA is an executive NDPB, it also runs as a commercial organisation and is a company limited by guarantee.

ASSESSMENT PANEL FOR CONSTRUCTION RESEARCH

Chairman:

Professor Peter Dale

Members:

Professor Jack Anderson
Mr. Norman Bright MBE
Miss Pat Tindale
Mr. Don Leeper
Dr. Jack Chapman
Miss Judith Stammers
Dr. Dipesh Bhattacharya
Mrs. Sandi Rhys Jones.

The terms of reference of the Panel are to provide informed, strategic advice to the Department on trends in construction and the development of research strategies in relation to emerging technical issues relevant to the construction process and to the Department's statutory responsibilities and policy objectives; and to give informed, strategic advice on the value of past research—its appropriateness, relevance to policy, management, impact, achievement and transfer into effective application.

EXPORT ACTION GROUP FOR BUILDING MATERIALS

Chairman:

Mr. P. M. Rose CBE

Members:

Mr. J. Bonney
Mr. P. D. Marshall
Mr. J. Gill
Mr. C. Jarvis
Mr. J. R. Owens
Mr. A Lorentzen

Mr. D. Wilkinson

Mr. C. M. F. Newton

Ms A. Carew-Cox

Mr. K. Lambourne

Mr. M. Arndell.

The terms of reference of the Group are:

To provide timely and effective advice to DETR Ministers and Officials on methods and priorities for pursuing business opportunities overseas for UK suppliers of building materials and construction products.

To provide feedback more generally on the delivery and effectiveness of support mechanisms provided by government and other organisations and, where appropriate, to suggest improvements.

To provide advice on measures to improve co-ordination, communication and presentation of export opportunities and initiatives within the industry and between government and industry.

Sewerage Pipes

Ms Atherton: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the extent of damage being caused to plastic sewerage pipes by rats; and what assessment he has made of potential risks to public health from this. [8454]

Angela Eagle: I understand that the water industry is not aware of any documented evidence of a problem of rats chewing through sewer pipes and there are no indications that such damage to plastic pipes is causing risk to public health.

Ms Atherton: To ask the Secretary of State for the Environment, Transport and the Regions what regulations control the use of high pressure water jets to clean sewerage pipes; and if these take account of possible damage caused to the pipes. [8453]

Angela Eagle: No formal regulations exist to control the use of high pressure water jets to clean sewerage or drainage pipes. The Water Research Centre has prepared a Code of Practice on pressure jetting which has been accepted by the manufacturers of such equipment and contractors. I understand that water companies are likely to specify its use in pressure jetting contracts.

Ms Atherton: To ask the Secretary of State for the Environment, Transport and the Regions if standards for the manufacture of plastic sewerage pipes take account of the need to resist damage by rats. [8445]

Angela Eagle: Standards for plastic sewer pipes do not contain any particular provisions to take account of the need to resist damage by rats but my Department will ensure that the issue is raised with the British Standards Institution and organisations which test the suitability of plastic pipes to be used for drainage.

Environmental Task Force (Horticulture Training)

Mr. Martyn Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will examine the potential role of horticultural training within the environmental task force; and if he will make a statement. [8487]

Angela Eagle: We want to see as wide a range of organisations as possible in the environmental field involved in constructing high quality programmes, projects and training for the environmental task force. We hope that horticultural projects will be included among these.

Planning Applications

Ms Atherton: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of local authority planning applications are currently dealt with under the delegated powers procedure *(a)* in total and *(b)* by local authority; and what assessment he has made of the adequacy of these procedures for planning matters. [8461]

Mr. Raynsford: My Department is this year collecting, for the first time, statistics on the number of planning applications which were decided by planning officers under delegated powers by each local authority. This information should allow an assessment, over time, of the relationship between the numbers of applications decided by local authorities, their performance and their use of delegated powers. The first figures will be collated at the end of September. I will ensure the figures are forwarded to my honourable Friend as soon as possible after they have been compiled and checked.

Home Buyers

Mrs. Ann Cryer: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the adequacy of the protection afforded to new house buyers. [8455]

Mr. Raynsford: I am aware of criticisms of the protection afforded by the National House-Building Council's warranty scheme for new houses. The Council has announced a wide ranging review including insurance cover, inspection service, communications with consumers and house builders, and powers to discipline bad builders. I have recently met representatives of the Council and I have asked to be kept closely in touch with the progress of this review.

My hon. Friend, the Minister for Local Government and Housing has also recently met the Council of Mortgage Lenders and the Association of British Insurers to discuss ways in which the mortgage lending and insurance industries can develop better mortgage protection products.

Climate Change

Mr. Martyn Jones: To ask the Secretary of State for the Environment, Transport and the Regions what research his Department has evaluated into the relationship between agricultural production and global climate change; and if he will make a statement. [8488]

Angela Eagle: UK emissions of greenhouse gases from agriculture are evaluated using research sponsored by my Department and by the Ministry of Agriculture, Fisheries and Food.

We estimate that, in 1995, UK agricultural production was responsible for about 1 per cent, 30 per cent. and 10 per cent. of UK emissions of carbon dioxide, methane and nitrous oxide respectively. Agricultural land use change resulted in the release of a further 4 per cent. of total emissions of carbon dioxide. Together these emissions were equivalent to about 7 per cent. of the

climate change impact of all UK greenhouse gas emissions in 1995. Land set aside from agricultural production removed an amount of carbon from the atmosphere equivalent to about 1 per cent. of UK carbon dioxide emissions in 1995.

Research evaluated by the Intergovernmental Panel on Climate Change (IPCC) indicates that emissions of carbon dioxide, methane and nitrous oxide from global agricultural production and related land use change together account for about 34 per cent. of the climatic disturbance from current man-made greenhouse gas emissions.

Rat Infestation

Ms Atherton: To ask the Secretary of State for the Environment, Transport and the Regions what responsibilities have been placed upon the water companies to control rat infestation of the sewerage system. [8451]

Angela Eagle: There is no specific duty on water and sewerage companies in relation to the control of rats in sewers. However, all sewerage undertakers have programmes to control and reduce the number of rats in their systems. This includes the use of baits in pumping stations and air vents to stop rats entering the system, or on ledges within sewers. In addition, I understand that the water industry will be undertaking some research into the issue of rats in sewers early next year.

Local authorities have a long standing duty to keep themselves informed about the sufficiency of drainage systems in their area to ensure that they do not pose a threat to public health. Failure to control rat infestations on property could be enforceable by the Local Authority Environmental Health Officer under Part III of the Environmental Protection Act 1990, if it is judged to be a statutory nuisance.

I have no plans at present to introduce legislation to regulate the performance of sewerage undertakers in this field.

"Household Growth"

Mrs. Ann Cryer: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish the statistical assumptions behind the household composition growth figures contained in his Department's response to the consultation paper "Household Growth" with particular reference to Bradford metropolitan district council. [8457]

Mr. Raynsford: Descriptions of the methodology and main statistical assumptions underlying the household projections presented in the consultation paper "Household Growth: where shall we live?" are set out in the annexes of "Projections of Households in England to 2016", published by HMSO in March 1995, a copy of which is in the Library of the House. The projections for the Metropolitan District of Bradford are given in Table 9 of this publication.

Hedgerows

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions how many miles of hedgerow he estimates will be *(a)* planted and *(b)* cut down in the next three years. [8508]

Angela Eagle: The most recent statistics on hedgerow planting and removal come from a survey of hedgerow changes in England and Wales between the years 1990 to 1993, undertaken by the Institute of Terrestrial Ecology on behalf of the Department of the Environment. That survey estimated that on average some 4,400 km of hedgerows were newly planted each year, whilst an average of 3,600 km of hedgerows were removed each year.

Estimates for future years have not been made. New planting is encouraged, in England, through the Countryside Stewardship and Environmentally Sensitive Areas Schemes administered by the Ministry of Agriculture, Fisheries and Food and, in Wales, through Tir Cymen and the Hedgerow Renovation Scheme operated by the Countryside Council for Wales. Important hedgerows are protected from removal under the Hedgerows Regulations 1997.

Environmental Information Appeals Tribunal

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have to introduce an independent environmental information appeals tribunal. [8676]

Angela Eagle: The Government's proposals for appeals procedures relating to information in general, including environmental information, will be set out in our forthcoming White Paper on freedom of information.

Animal Furs

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions what steps his Department has taken to *(a)* control and *(b)* prohibit the import of animal furs on conservation grounds. [8662]

Angela Eagle: The import of furs into the United Kingdom is controlled under European Council Regulation 338/97 which implements the Convention on International Trade in Endangered Species (CITES) within the European Union as a whole. A permit is required from the Department of the Environment to import the fur of any species listed in the CITES Appendices. Trade in furs from endangered species, such as leopards and tigers, is strictly prohibited. Trade in other less sensitive species is strictly controlled and monitored to ensure that they are not over-exploited. My Department is also responsible for the EU ban on the import of furs from harp and hooded seal pups under the EC Seals Directive 83/129. The Directive is implemented in the UK through the Import of Seal Skins Regulations 1996.

Housing

Mr. Butterfill: To ask the Secretary of State for the Environment, Transport and the Regions how many homes are *(a)* owner occupied, *(b)* privately rented without housing benefit, *(c)* privately rented with housing benefit, *(d)* rented from local authorities and *(e)* rented from housing trusts or housing associations (i) in England and Wales and (ii) in the Borough of Bournemouth; and if he will provide comparable figures for 1987. [8756]

Mr. Raynsford *[holding answer 15 July 1997]:* The Department's estimates of the stock of dwellings in England as at December 1987 and December 1996 are shown in the table below.

England—stock of dwellings

(000s)

	Owner occupied	*Rented privately or with job*[1]	*Rented from housing associations*	*Rented from local authorities*	*Total*
December 1987	12,264	1,899	512	4,403	19,078
December 1996	13,865	2,116	946	3,586	20,514

[1] Notionally includes renting from other public sector.

The information used to compile these figures does not show how much of the privately rented stock contains people claiming housing benefit. However information from the Family Resources Survey (FRS) shows that during 1995–96 nearly one third of private renters (including those in rent free accommodation) were claiming housing benefit. Comparable figures for 1987 are not available.

The only information about the stock of dwellings in Bournemouth comes for the annual "Housing Investment Programme" (HIP) returns, which combine the owner occupied and rented privately groups together. The figures for April 1987 and April 1996 are as follows:

Bournemouth—stock of dwellings

	Private	*Rented from housing associations*	*Rented from local authorities*	*Rented from other public sector*	*Total*
April 1987	60,644	638	6,591	375	68,248
April 1996	65,325	1,985	5,726	60	73,096

It is not possible to provide reliable information at local authority area level compatible with the FRS data quoted above.

Mr. Flynn: To ask the Secretary of State for the Environment, Transport and the Regions how many people have been living in houses in multiple occupation in each of the last five years; how many of them have been aged under 25 years and what proportion of those aged *(a)* under 25 years and *(b)* over 25 years have been (i) male and (ii) female. [8800]

Mr. Raynsford *[holding answer 15 July 1997]:* I regret that information in the form requested is not available. The following table shows the latest estimate of occupants of houses in multiple occupation by age and gender in England.

Age and gender of occupiers of HMOs in England (percentage in brackets)

	Traditional HMOs (bedsits)	*Shared houses/flats*	*Households with lodgers*	*Purpose Built HMO*	*Self-contained converted flats*	*Hostels, boarding houses etc*	*All HMOs*
Number of People in HMO	631,467	343,187	106,645	246,354	1,533,597	237,717	3,098,967
Under 25[1]	457,605 (72)	202,855 (59)	58,012 (54)	98,542 (40)	483,579 (32)	121,236 (51)	1,421,829
Male	283,743 (62)	115,322 (57)	41,338 (71)	n/a	242,861 (50)	67,607 (56)	—
Female	173,862 (38)	87,534 (43)	16,674 (29)	n/a	240,718 (50)	53,629 (44)	—
25 and over[2]	173,862 (28)	140,332 (41)	48,633 (46)	147,812 (60)	1,050,018 (68)	116,481 (49)	1,677,144
Male	150,217 (86)	79,197 (56)	27,443 (56)	n/a	496,437 (47)	86,469 (74)	—
Female	23,645 (14)	61,135 (44)	21,190 (44)	n/a	553,581 (53)	30,013 (26)	—

Source:
Totals from the Local Authority Houses in Multiple Occupation Survey 1995. Proportions from the English House Condition Survey 1991 and Census 1991.
[1] Under 30 years old for hostel residents.
[2] 30 and over for hostel residents.

Hostels

Mr. Fitzpatrick: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many direct access hostel places in London currently cater for clients with partners; [9008]

(2) how many direct access hostel places in London cater for clients with pets. [9009]

Mr. Raynsford: This information is not held centrally.

Mr. Fitzpatrick: To ask the Secretary of State for the Environment, Transport and the Regions how many direct access hostel places there are currently in London. [9007]

Mr. Raynsford: This information is not held centrally. The London Hostels Directory, published by Resource Information Service, and partly funded by my Department, gives details of more than 27,000 bedspaces in over 600 different buildings. It is not possible to say how many of these places are direct access. As part of the Rough Sleepers Initiative in London, my Department is funding 278 places in hostels and nightshelters. Most, though not all of these places will be direct access.

Council Tax

Mrs. Ballard: To ask the Secretary of State for the Environment, Transport and the Regions what research his Department has conducted into the correlation between income levels and council tax bands. [9070]

Mr. Raynsford: None. The council tax is a property based tax and council tax benefit is available to help meet the bills of people on low incomes.

Press Releases

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8810]

Angela Eagle: The Department uses a courier for delivery of press releases to the Press Gallery. This is part of a general courier service for the Department as a whole and costs for these specific deliveries are not separately identified.

With this exception, it is not normal practice for the Department to send press releases by courier to hon. Members, other individuals or groups.

In common with other Departments, press releases are distributed to the media through the Central Office of Information's News Distribution Service, which utilises a combination of electronic and hard copy delivery methods. In addition to this, the Department issues releases to other interested parties by post, or exceptionally fax.

Roads Programme (Leicester)

Mr. Vaz: To ask the Secretary of State for Environment, Transport and the Regions if orders have been submitted for *(a)* the Leicester Eastern district distributor road and *(b)* the Leicester A46–47 link road scheme stage 2. [8324]

Ms Glenda Jackson: *(a)* No; *(b)* Yes.

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the funding considerations underlying his Department's advice to the city council to apply for funding through the 1998–99 TPP bid for the Leicester A46–47 trunk road. [8325]

Ms Jackson: My Department's advice was that if the City Council wished the A46–47 scheme to have any possibility of obtaining funding under the 1998–99 TPP settlement they must bid for it. In giving the advice it was made clear that there can be no guarantee of funding for this or any other project, ahead of the settlement.

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions what is his Department's policy on the construction of the Leicester A46–47 link road; and what priority it accords to *(a)* environmental issues and *(b)* economic benefit in determining this policy. [8326]

Ms. Jackson: The policy on the construction of the A46–47 link road is the same as that for all road schemes presented to the Secretary of State. The overall merits are assessed in the context of the public interest.

The A46–47 forms part of the accepted package of transport proposals which constitute the Central Leicestershire Package. Advice on the appraisal of projects and on the preparation of package bids is issued to authorities each year. This covers, inter alia, environmental issues and economic benefit.

Red Routes

Mr. Cox: To ask the secretary of State for the Environment, Transport and the Regions if he will list the red-route proposals under consideration by his Department for the London Borough of Wandsworth. [9098]

Ms Glenda Jackson: The roads in Wandsworth designated as red routs are the A3, A24, A205, A214, A217, A306, A3205 and A3220. We are currently consulting on whether the A214 should remain in the red route network. The implementation programme for other red routes in Wandsworth is set out in the Traffic Director for London's Annual Report and Accounts for 1996–97, a copy of which is in the Library.

Network Cards

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the decision by train operators to limit when network card holders can use their cards; and if he will make a statement. [8227]

Ms Glenda Jackson: The Government has no powers to prevent train operators changing the conditions applying to the Network Card. Train operators' participation in the Network Card scheme is entirely voluntary and there is no formal obligation on them to offer the Network Card.

HEALTH

Closures

Mr. Jack: To ask the Secretary of State for Health if he will list the hospitals and health units currently subject to proposals for closure. [6824]

Mr. Milburn: The information requested is not collected systematically. However, a recent survey carried out for management purposes identified the hospitals listed as having recently been, or are currently, the subject of consultation which could lead to the full closure. Closure is normally dependent on the reprovision of services elsewhere and/or are conditional on a successful Private Finance Initiative contract.

Anglia and Oxford
Chesterton Hospital
Fulbourn Hospital
Ida Darwin Hospital
St. Andrew's Hospital
Northern and Yorkshire
St. Mary's Hospital
Walkergate Hospitals
Winterton Hospitals.
North Western
Ulverston Hospital.

North Thames
Goodmayes Hospital
Horton Hospital
Napsbury Hospital
Queen Elizabeth Hospital Hackney[1]
Queen Charlotte's Hospital[1]
Runwell Hospital
St. Andrew's Hospital
St. Bartholomew's Hospital[1]
Shenley Hospital
Warley Hospital.
South Thames
Battle Hospital
Bromley Hospital
Eversfield Hospital
Joyce Green Hospital (including the Orchard House Psychiatric Unit)
Sundridge Hospital
West Hill Hospital.
South Western
Belmont Hospital
Lynton Hospital[2]
Odiham Hospital
Ridley House
Winsford Hospital.[2]
Trent
Badsley Moor Lane Hospital
West Midlands
All Saints Hospital
Hereford Eye Hospital
Hereford General Hospital
Highcroft Hospital
Goscote Hospital
Monyhull Hospital
Northcroft Hospital
St. Edward's Hospital
Stanfield Hospital
Stallington Hospital
Westcliffe Hospital
Wordsley Hospital.
Notes:
[1] There is a moratorium on all hospital closures in London during the current review of the capital's health services.
[2] Temporary closures.

NHS Expenditure

Mr. Jack: To ask the Secretary of State for Health if he will list the health authorities and trusts which have been deemed by the regional offices of the NHS Executive to have serious financial problems at the close of the 1996–97 financial year. [7758]

Mr. Milburn: The names of health authorities and trusts assessed as having serious financial problems are disclosed in the following tables.

Health authorities with serious financial problems at Q4 1996–97
Barking and Havering
Barnet
Bedfordshire
Berkshire
Bexley and Greenwich
Bradford
Brent and Harrow
Buckinghamshire
Calderdale and Kirklees
Cambridge
Cornwall and Isles of Scilly
Dudley
Ealing, Hammersmith and Hounslow
East and North Hertfordshire
East London and City
East Norfolk
East Surrey
Enfield and Haringey
Isle of Wight
Kingston and Richmond
Lambeth, Southwark and Lewisham
Leeds
Leicestershire
Lincolnshire
Merton, Sutton and Wandsworth
Newcastle
North and East Devon
North and Mid Hants
North Cumbria
North Essex
North West Anglia
North Yorkshire
Oxfordshire
Redbridge and Waltham Forest
Sandwell
Solihull
Somerset
Suffolk
Wakefield
West Surrey
West Sussex
Wiltshire.
Trusts with serious financial problems at Q4 1996–97
Airedale
Alexandra Health Care
Anglian Harbours
Ashford Hospital
Brighton Health Care
Christie Hospital
City Hospitals
Countess of Chester Hospital
Derby City General Hospital
East Anglian Ambulance
East Cheshire
East Somerset
East Surrey Healthcare
Epsom Health Care
Essex Rivers Healthcare
Forest Healthcare
George Eliot Hospital
Hillingdon Hospital

Ipswich Hospital
Lewisham Hospital
Mayday Healthcare
Mid Essex Hospital Services
Mount Vernon and Watford Hospitals
North East Lincolnshire
Northampton Community Healthcare
Northampton General Hospital
Northwick Park and St. Mark's
Oxford Radcliffe Hospital
Peterborough Hospitals
Pilgrim Health
Pinderfields Hospitals
Pontefract Hospitals
Preston Acute Hospitals
Queen Mary's Sidcup
Queens Medical Centre, Nottingham
Richmond, Twickenham and Roehampton Healthcare
Royal Berkshire and Battle Hospitals
Royal Devon and Exeter Healthcare
Royal Hospital of St. Bartholomew, the Royal London Hospital and London Chest Hospital
Royal Liverpool and Broadgreen University Hospitals
Royal Victoria Infirmary and Associated Hospitals
Scunthorpe and Goole Hospitals
South Buckinghamshire
St. Albans and Hemel Hempstead
St. James's and Seacroft University Hospital
St. Mary's
Stockport Acute Services
Stoke Mandeville Hospital
The Horton General Hospital
The King's Mill Centre for Health Care Services
The Poole Hospital
United Leeds Teaching Hospitals
University College London Hospitals
West Middlesex University Hospital.

Mr. Jack: To ask the Secretary of State for Health if he will list the NHS trusts which have non-technical deficits indicating the amount of their *(a)* technical and *(b)* non-technical deficits. [7760]

Mr. Milburn: The information requested for 1996–97 non-technical deficits is available in the following table. The deficit disclosed for these trusts may contain an element of technical deficit but the total cannot be further analysed into technical elements and non-technical elements from information available.

Trusts with non-technical deficits at Q4 1996–97

Trust	*Deficit 1996–97 £000*
Addenbrooke's	–285
Airedale	–1,700
Alexandra Health Care	–1,814
Avalon, Somerset	–155
Avon Ambulance Service	–57
Bassetlaw Hospital and Community Services	–391
Bedford Hospital	–281
Bournewood Community and Mental Health	–2
Brighton Health Care	–2,006
Carlisle Hospitals	–1,223

Trusts with non-technical deficits at Q4 1996–97

Trust	*Deficit 1996–97 £000*
Central Middlesex Hospital	–2,920
City Hospitals	–622
Community Health Sheffield	–220
Countess of Chester Hospital	–1,792
Derby City General Hospital	–1,194
Dorset Community	–1,633
East Anglian Ambulance	–200
East Cheshire	–393
East Somerset	–400
East Suffolk Local Health Services	–422
East Surrey Priority Care	–1,519
East Wiltshire Health Care	–518
Eastbourne Hospitals	–589
Epsom Health Care	–1,492
Essex Rivers Healthcare	–1,450
Forest Healthcare	–4,418
Furness Hospitals	–137
George Eliot Hospital	-1,436
Glenfield Hospital	-277
Gloucestershire Ambulance Service	-98
Harrow and Hillingdon Healthcare	-1,072
Heathlands Mental Health	-547
Hereford Hospitals	-78
Hillingdon Hospital	-1,569
Ipswich Hospital	–1,298
Leicester Royal Infirmary	–917
Lewisham Hospital	–2,866
Luton and Dunstable Hospital Trust	–469
Mayday Healthcare	–903
Mid Anglia Community Health	–279
Mid Essex Hospital Services	–1,154
Mid Kent Healthcare	–226
Milton Keynes General	–157
Mount Vernon and Watford Hospitals	–2,232
Newham Healthcare	–713
North-east Lincolnshire	–4,327
North Hampshire Hospitals	–135
North Hertfordshire	–244
North-west Anglia Health Care	–551
Northampton Community Healthcare	–237
Northampton General Hospital	–1,361
Northwick Park and St. Mark's	–3,969
Nuffield Orthopaedic Centre	–135
Oxford Radcliffe Hospital	–792
Oxfordshire Mental Healthcare	–175
Phoenix	–512
Pinderfields Hospitals	–780
Pontefract Hospitals	–669
Premier Health	–594
Princess Alexandra Hospital	–250
Rockingham Forest	–129
Royal Berkshire and Battle Hospitals	–1,513
Royal Devon and Exeter Healthcare	–532
Royal Hospital of St. Bartholomew, the Royal London Hospital and London Chest Hospital	–4,744
Royal Liverpool and Broadgreen University Hospitals	–3,688
Royal London Homoeopathic Hospital	–54
Royal United Hospital, Bath	–778
Royal Victoria Infirmary and Associated Hospitals	–7,079
Scunthorpe and Goole Hospitals	–1,145
South Buckinghamshire	–1,350
South Devon Health Care	–2,530
South Kent Community Healthcare	–216
Southampton University Hospitals	–250
Southend Community Care Services	–585
St. Albans and Hemel Hempstead	–1,383
St. James's and Seacroft University Hospital	–4,894
St. Mary's	–945
St. Mary's Hospital	–307
St. Peter's Hospital	–292

Trusts with non-technical deficits at Q4 1996–97

Trust	Deficit 1996–97 £000
Stockport Acute Services	–627
Swindon and Marlborough	–744
The Horton General Hospital	–467
The King's Mill Centre for Health Care Services	–1,400
The Poole Hospital	–1,801
The Radcliffe Infirmary	–27
The Royal Surrey County and St. Luke's Hospitals	–576
The Royal West Sussex	–224
The West Dorset General Hospitals	–1,379
United Leeds Teaching Hospitals	–8,273
University College London Hospitals	–2,246
Warrington Hospital	–357
Wellhouse	–400
West Middlesex University Hospital	–1,796
Whittington Hospital	–374
Wiltshire Health Care	–430

NHS Pay

Mr. Jack: To ask the Secretary of State for Health if he will estimate the additional costs to the NHS in England if pay rates were set at hourly rates *(a)* £2.75, *(b)* £3.00, *(c)* £3.25, *(d)* £3.50, *(e)* £3.75, *(f)* £4.00, *(g)* £4.25, and *(h)* £4.50 for (i) 1996–97 and (ii) 1997–98. [7447]

Mr. Milburn: I refer the right hon. Member to the reply I gave the hon. Member for Romsey (Mr. Colvin) on 2 June at column *37*, and also to the reply I gave to the right hon. Member for Bridgwater (Mr. King) on 9 June at column *421*.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Health (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8091]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8092]

Ms Jowell: As my right hon. Friend the Prime Minister explained in response to my hon. Friend the Member for Newport, West (Mr. Flynn) on 2 June 1997 at column *99*, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department cannot keep a register of such meetings.

Benzodiazepines

Dr. Naysmith: To ask the Secretary of State for Health what quantity of each individual type of benzodiazepine was prescribed via community pharmacists in England and Wales in *(a)* 1995 and *(b)* 1996. [8497]

Mr. Milburn: The available information is shown in the tables.

Table 1: Benzodiazepines: number of prescription items dispensed (thousands), 1995 and 1996

England

Drug group	1995	1996
Temazepam	6,063	5,540
Diazepam	3,411	3,600
Nitrazepam	2,582	2,539
Lorazepam	818	785
Chlordiazepoxide	438	428
Oxazepam	300	304
Lormetazepam	201	234
Loprazolam	213	221
Clonazepam	168	180
Clobazam	70	74
Triazolam	0	0
Totals	14,266	13,905

1. Data cover all prescriptions dispensed by community pharmacists and appliance contractors, dispensing doctors and prescriptions submitted by prescribing doctors for items personally administered.
2. A "0" indicates less than 500 prescription items.
3. Figures may not add up due to rounding.

Table 2: Benzodiazepines: number of prescription items dispensed (thousands), 1995 and 1996

Wales

Drug group	April 1995 to March 1996	April 1996 to March 1997
Temazepam	588	548
Diazepam	371	416
Nitrazepam	245	243
Lorazepam	78	76
Chlordiazepoxide	35	37
Oxazepam	35	35
Lormetazepam	21	24
Loprazolam	21	23
Clonazepam	12	14
Clobazam	1	3
Midazolam Hydrochloride	1	1
Totals	1,411	1,420

Note: These figures were obtained from the Welsh Office.

Day and Domiciliary Care

Mr. Etherington: To ask the Secretary of State for Health what measures his Department is taking to ensure that local authorities monitor the effect of changes to charging policies for day and domiciliary care service take-up and use. [8509]

Mr. Boateng: Currently local authorities are not required to keep the Department informed about their charging policies, nor when they introduce charging for the first time or when revising their charges.

Local authorities are, however, expected to monitor the effect of charges themselves as suggested in the Advice Note issued by the Social Services Inspectorate in January 1994.

Long-term Care (Elderly People)

Mr. Colvin: To ask the Secretary of State for Health (1) when he expects his Department to have determined

the form of its examination into the future funding of the long-term care of the elderly; and if he will make a statement; [8532]

(2) what is his Department's policy on establishing a Royal Commission on the funding of long-term care for the elderly; and if he will make a statement. [8501]

Mr. Boateng: I refer the hon. Member to the reply I gave to him and the hon. Member for Tewkesbury (Mr. Robertson) on 30 June at columns *28–29*.

Erb's Palsy

Mr. Peter Bradley: To ask the Secretary of State for Health if he will require hospital trusts to collate statistics on the incidence of Erb's palsy in new born babies.[8327]

Ms Jowell: Erb's Palsy and brachial plexus injuries are, fortunately, rare occurrences. Most babies with Erb's Palsy recover spontaneously within a few months.

We do not intend to require the collection of information on incidence.

Tamworth Primary Care Project

Mr. Brian Jenkins: To ask the Secretary of State for Health what assessment he has made of the Tamworth Primary Care Organisation project. [8434]

Mr. Milburn: None. There are two stages to the application process—an expression of interest followed by a formal application. Everyone who has submitted an expression of interest to pilot the new arrangements under the NHS (Primary Care) Act 1997 will receive feedback on their proposal from their local health authority and will be given the opportunity to re-visit their proposal in light of the comments made. Formal applications to enter the Primary Care Act Pilot scheme have to be with Health Authorities by 1 November and applicants will be notified as to whether their application has been approved before the end of December.

Rat Infestation

Ms Atherton: To ask the Secretary of State for Health what is his policy for reducing public health problems arising through rat infestation. [8441]

Ms Jowell: Statutory responsibility for the control of rat infestations rests with local authorities. There is no evidence that the levels of infestation found in the 1993 National Rodent Survey were associated with detectable effects on public health. Officials from the Department of Health, in discussion with officials from other government departments, will continue to monitor trends in infestation and the adequacy of current control measures.

Private Finance Initiative

Dr. Brand: To ask the Secretary of State for Health, pursuant to his answer of 3 July, *Official Report*, column *230*, relating to PFI schemes, how many of these schemes contain an element of service provision; and what services are to be provided under PFI in each case. [8460]

Mr. Milburn: Of the 14 major hospital Private Finance Initiative schemes selected for prioritisation, two, at Dartford and Gravesham National Health Service Trust and Norfolk and Norwich Health Care NHS Trust, have reached agreement to proceed to financial close. Both trusts will continue to provide a full range of NHS services to NHS patients under their respective PFI schemes. The following support services have been transferred to, and will be managed and operated by, the trusts' private sector partners:

Dartford and Gravesham NHS Trust

Estate maintenance
Domestic services
Catering
Laundry
Portering
Security
Non-emergency patient transport.

Norfolk and Norwich Healthcare NHS Trust

IM&T Systems
Grounds and Estate Maintenance
Domestic services
Portering
Financial services
Catering
Waste disposal and Laundry
Car parking
Non-emergency patient transport
Security
Telecommunications
Energy and Utilities.

The other 12 NHS trusts with major hospital PFI schemes selected for prioritisation are at various stages of negotiation with their private sector partners.

Waiting Times

Ms Walley: To ask the Secretary of State for Health how many people in the North Staffordshire Hospital NHS Trust area were awaiting non-emergency treatment for *(a)* up to 12 months, *(b)* up to 18 months and *(c)* over 18 months. [8874]

Mr. Milburn: Information about patients waiting for admission to National Health Service trusts on either an in-patient or day case basis is published twice yearly in "Hospital Waiting List Statistics: England". The latest available shows the position on 31 March 1997. Similar information is given on a health authority basis in the quarterly "Hospital Waiting List Statistics: England (Resident Based)". The latest available information gives the position on 31 December 1996. Copies of both documents are available in the Library.

General Practitioners

Ms Walley: To ask the Secretary of State for Health if he will make a statement on his plans to improve the recruitment and retention of general practitioners in the NHS in Stoke-on-Trent, North. [8872]

Mr. Milburn: We are aware that in some areas recruitment and retention difficulties are occurring and are talking to the profession about ways in which some of the difficulties might be overcome.

Ms Walley: To ask the Secretary of State for Health how many general practitioners are trained to deal with people with learning difficulties. [8876]

Mr. Milburn: All general practitioners practising as principals have had to undergo vocational training. During this period of vocational training the general practitioner will be exposed to the variety of patients who present in Primary Care. As most people with learning difficulties are living at home, they will be included in this training. EL(96)109 stated that the Government intends to take steps to improve the vocational training scheme for GPs to allow those starting constructed schemes after 1997 to spend a greater proportion of training time in general practice from April 1998. This will result in greater exposure to such patients.

Ms Walley: To ask the Secretary of State for Health how many general practitioners were working in the NHS for each of the last five years in Stoke-on-Trent, North. [8873]

Mr. Milburn: The available information is shown in the table.

Number of General Practitioners in Staffordshire FHSA

	1992	*1993*	*1994*	*1995*	*[1]1996*
Restricted principals	3	3	3	2	0
Unrestricted principals	502	511	515	504	239
Assistants	5	5	6	10	4
Trainees	31	33	22	26	6
All practitioners	541	552	546	542	249

Note:
[1] North Staffordshire Health Authority.
Source:
General Practitioner Census 1 October.
Data for Stoke-on-Trent is not held centrally.

Health Action Zones

Ms Walley: To ask the Secretary of State for Health (1) if he will make a statement on the criteria he is planning to use in the selection of health action zones; [8880]

(2) if he will list the number of areas he intends to designate as health action zones. [8881]

Mr. Milburn: The Government intends to set out criteria and arrangements for selecting areas as health action zones in due course.

Health Provision (Variation)

Ms Walley: To ask the Secretary of State for Health what assessment he has made of the variation in health provision nationally; and if he will make a statement. [8882]

Mr. Milburn: Purchasers are responsible for funding those services which are clinically effective and meet the needs of local people in light of the resources available.

Energy Efficiency

Mr. Martyn Jones: To ask the Secretary of State for Health what plans his Department has to encourage hospitals to be more energy efficient; and if he will make a statement. [8738]

Mr. Milburn: The Department of Health is committed to encouraging hospitals to be more energy efficient. The Department will be requesting all National Health Service trusts to comply with the new target level as made by the Secretary of State for the Environment on 17 March 1997 at columns *457-459*, of an overall 20 per cent. improvement by March 2000.

NHS trusts are required to provide data on energy consumption which is analysed by NHS Estates, an Executive Agency of the Department of Health. NHS trusts receive detailed information on energy usage in the NHS which they can use to effectively monitor their efficiency performance.

To assist energy efficiency performance management, NHS trusts are encouraged to participate in benchmarking networks to enable them to compare their performance relative to other similar trusts.

Foreign Doctors

Ann Clwyd: To ask the Secretary of State for Health what investigations are carried out into the backgrounds of foreign doctors, with particular reference to previous human rights violations, prior to employment by the NHS, and if he will make a statement. [8731]

Mr. Milburn: No routine investigations are carried out into the background of foreign doctors specifically in respect of previous human rights violations. However, such doctors are subject to a number of checks as part of immigration control and prior to registration with the General Medical Council and employment within the National Health Service. If as a result of these investigations doubts were raised in relation to possible human rights violations, these would be pursued.

Hospital Discharge Procedures

Ms Walley: To ask the Secretary of State for Health what plans his Department has to review hospital discharge procedures. [8879]

Mr. Boateng: We wish to encourage a collaborative and co-operative approach to hospital discharge from all agencies. In order to support this, we are exploring proposals to address the difficulties around hospital discharge procedures and the problems which are caused by ensuing delays.

Medicines Control Agency

Mr. Bill Michie: To ask the Secretary of State for Health if he will publish the Annual Report and Accounts of the Medicines Control Agency. [9806]

Mr. Milburn: We have received the report and copies have today been laid before both Houses of Parliament in accordance with the requirements of section 5(2) and 5(3) of the Exchequer and Audit Departments Act 1921. Copies have also been placed in the Library.

Medicine Commission

Mr. Connarty: To ask the Secretary of State for Health when he expects to receive the annual report of the Medicine Commission for 1996. [9609]

Mr. Milburn: We have received the report, and copies have been laid before both Houses of Parliament today in accordance with the requirements of section 5(2) of the Medicines Act 1968.

Bound volumes have been placed in the Library containing the 1996 reports of the Medicines Commission, the Committee on Safety of Medicines, the Advisory Board on the registration of Homeopathic Products, the British Pharmacopoeia Commission and the Veterinary Products Committee.

We are glad to acknowledge the valuable work done by the distinguished members of the Medicines Act Advisory Bodies and thank them for the time and effort dedicated in the public interest to this important work.

Hepatitis C

Mr. Sanders: To ask the Secretary of State for Health what contingency plans have been made for meeting projected increases in the incidence of Hepatitis C; and if he will make a statement. [7898]

Ms Jowell: There is little reliable data on the prevalence and likely future incidence of Hepatitis C in the population. The Department of Health made £1 million available to fund research into the natural history, transmission and prevalence of Hepatitis C. To date nine studies have been commissioned and the results of this research will become available over the next three years. A further £0.5 million has been allocated this year to expand this research programme. Once we have a clearer picture, we will be able to plan accordingly and make sure that the National Health Service is equipped to deliver the services required based on the best scientific evidence available about the disease.

Drugs

Mr. Sanders: To ask the Secretary of State for Health what provision is being made in respect of places on fast track and stabilisation programmes for drug users; and if he will make a statement. [7901]

Ms Jowell: It is for health authorities and local authority social services departments to determine the needs of their local population for treatment and rehabilitation for drug misusers and to commission services to meet those needs.

The Task Force to Review the Effectiveness of Services for Drug Misusers, whose report was published in May 1996, found that treatment and care services were effective in reducing the level of criminal activity amongst the drug misusing population. Guidance to health and local authorities issued in March this year asked them to prioritise the needs of drug misusers who are involved in, or at risk of, criminal activity when commissioning services.

We are committed in our Manifesto to introducing a Testing and Treatment order to break the link between drugs and crime. My right hon. Friend the Home Secretary will be responsible for the introduction of this order.

Press Releases

Mr. Chidgey: To ask the Secretary of State for Health how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8821]

Ms. Jowell: The Department of Health's press releases are made available to hon. Members and to the media via the Central Office of Information's News Distribution Service (NDS).

NDS's delivery mechanisms include a newswire service which, among others, supplies press releases to the Parliamentary Online Information Service (POLIS), which can be accessed by all Members of Parliament and Peers, hand deliveries, fax and postal deliveries, online databases, and a widely accessed World Wide Web site on the Internet.

These mechanisms are used either singly or in combination to ensure the most cost-effective methods are used to reach the relevant target audiences and to suit the nature of the documents; eg whether press releases are despatched on their own, or accompanied by reports or consultation documents. No separate costing is available for the hand delivery service alone.

Press releases issued	*Number*
1 January 1997 to 1 March 1997	*50*
1 May 1997 to 1 July 1997	*63*

The Department and the COI keep a watching brief on new developments to ensure the most cost-effective delivery mechanisms are used.

Secondary Care Services (East Kent)

Dr. Ladyman: To ask the Secretary of State for Health what priority will be accorded to the medical needs of the population of east Kent in the East Kent Authority's Review of Secondary Care Services in East Kent. [9101]

Mr. Milburn: We understand that the review is taking full account of local health needs. My hon. Friend may wish to contact the chairman of East Kent Health Authority for further information.

Mercury Fillings

Ms Julie Morgan: To ask the Secretary of State for Health what statistics he has collated about how many dentists are using mercury in teeth fillings; what studies he has made of the toxic side effects of mercury fillings on children; and if he will make a statement. [9103]

Mr. Milburn: Out of 14,512 dentists who received payment under the General Dental Services for at least one filling in the quarter April to June 1997, we estimate that 13,600 received a payment for at least one amalgam filling. Evaluation of relevant, scientific research by authoritative national and international expert committees has indicated no risk of systemic toxicity and only a few cases of hypersensitivity. The Department continues to monitor and evaluate research in this area.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Health if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8303]

Mr. Milburn *[holding answer 14 July 1997]:* The figures requested for the Department of Health's spending plans within the Control Total are as follows: *(a)* £33,079 million, *(b)* £33,516 million, (1) £33,422 million and (2) £33,174 million. (Source: Treasury)

On the new estimate of the GDP deflator announced in the Budget on 2 July, the health budget will increase from £34,928 million in 1997–98 to £36,362 million in 1998–99. For the NHS, this means a real terms increase in resources of 2.35 per cent. in 1998–99.

EDUCATION AND EMPLOYMENT

Schools (Capital Investment)

Mr. Brady: To ask the Secretary of State for Education and Employment (1) what mechanism will be used to allocate funds for capital investment to *(a)* local education authority schools and *(b)* grant-maintained schools; [7254]

(2) what proportion of capital investment in schools will go to *(a)* local education authority schools and *(b)* grant-maintained schools in (i) 1997–98 and (ii) 1998–99; [7255]

(3) how much money will be made available for capital investment in *(a)* local education authority schools and *(b)* grant-maintained schools in (i) 1997–98 and (ii) 1998–99. [7256]

Mr. Byers: Under plans originally announced by the previous Administration last December, central government support for schools capital investment in 1997–98 has been set at £396 million for local authority county and controlled schools, £145 million for grant-maintained schools, and £104.2 million for voluntary aided schools. Their plans for 1998–99 were £363 million for local authority county and controlled schools, £141 million for grant-maintained schools, and £102 million for voluntary aided schools.

Taking account of estimated local authority capital receipts and revenue and governors' contributions to voluntary aided schools, we would expect some £672 million to be devoted to projects at county and voluntary controlled schools, £145 million in grant-maintained schools and £117 million in voluntary aided schools in 1997–98, and on the same basis some £656 million in county and voluntary controlled schools, £141 million in grant-maintained schools and £115 million for voluntary aided schools in 1998–99.

As to the allocation mechanism, in the financial year 1997–98, it is for the relevant local authority to determine capital programmes in county and voluntary controlled schools, and for the Funding Agency for Schools to allocate capital to grant-maintained schools. For voluntary aided schools, the Department pays grant of up to 85 per cent. on capital and repair projects.

On 2 July, my right hon. Friend the Chancellor of the Exchequer announced that a further £83 million will be made available for schools capital work in 1997–98, and £250 million for 1998–99. Guidance on the allocation will be issued shortly.

Assisted Places Scheme

Dr. Fox: To ask the Secretary of State for Education and Employment if funds released by the abolition of the assisted places scheme will be distributed according to the Barnett Formula. [7566]

Mr. Byers: The method of distributing these funds is being considered but they will be allocated across the United Kingdom.

LEAs (Inspections)

Mr. McNulty: To ask the Secretary of State for Education and Employment if he will make a statement on the timetable for the inspection of local education authorities outlined in the Education Bill; how the local education authorities will be chosen; how many are to be inspected; and on what basis they will be reviewed.[7565]

Mr. Byers: As announced in the White Paper "Excellence in Schools", the programme of LEA inspections under the 1997 Education Act will begin in January 1998. The inspections will be led by OFSTED assisted by the Audit Commission. Announcements about the selection of LEAs and the framework of inspection, will be made in the autumn.

Lifelong Learning

Mr. Colvin: To ask the Secretary of State for Education and Employment when he expects to publish his White Paper on Lifelong Learning. [7572]

Dr. Howells: My right hon. Friend the Secretary of State for Education and Employment plans to publish his White Paper on Lifelong Learning in the autumn.

New Deal

Mrs. Gorman: To ask the Secretary of State for Education and Employment what is the estimated cost to public funds per capita, for each of the options, over their six months on the New Deal. [8212]

Mr. Andrew Smith: Average costs will be determined by the detailed contracting process which will take place in the autumn.

Mr. Gorman: To ask the Secretary of State for Education and Employment how many private sector employers have indicated their willingness to participate in the New Deal scheme. [8210]

Mr. Smith: Following the seminar at No. 11 Downing St., 30 of the country's top companies have expressed their wish to be involved. We have also received, and continue to receive, expressions of interest from other employers, both small and large.

There will be a major campaign to win the commitment of the business community. At national level, we are creating an Advisory Task Force, chaired by Sir Peter Davis, to carry out a national effort to win support for New Deal from the top 500 companies.

At regional level in England, ES and Government Offices will hold a series of events—including conferences, roadshows and visits to employers—to win support, and each ES district will work with local partners to contact local firms to gain their commitment.

Similar campaigns will run in Scotland, Wales and Northern Ireland.

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Education and Employment if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8102]

Dr. Howells: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Mr. Campbell-Savours: To ask the Secretary of State for Education and Employment on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3 4(b), 8 and 9 in the Register of Members' Interests. [8105]

Dr. Howells: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear, that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest not the Minister to know (paragraph 63 of Cm 2850). It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests. Should evidence of non-declaration emerge, or contravention of the Resolution of the House relating to delegations to Ministers, the matter would be brought to the attention of the Parliamentary Commissioner for Standards.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Education and Employment (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings; [8104]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings. [8103]

Dr. Howells: As my right hon. Friend the Prime Minister explained in response to my hon. Friend the Member for Newport, West (Mr. Flynn), *Official Report*, 2 June 1997, column 99, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department cannot keep a register of such meetings.

Playing Fields

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment (1) what plans he has to stop the sale of playing fields; and if he will make a statement; [8000]

(2) if he will make a statement on current guidelines and standards relating to school playing fields; [8001]

(3) what plans he has to review current guidelines on the provision of school playing field facilities; and if he will make a statement. [8002]

Mr. Byers: We intend to make sure that those playing fields which schools and their local communities need are not sold in future. My right hon. Friends the Secretaries of State for Education and Employment and for Culture, Media and Sport are discussing this as a matter of urgency. We are looking at a wide range of options to ensure that all school pupils will have access to proper sports facilities.

The Education (School Premises) Regulations 1996 set out statutory minimum areas of grassed playing field, or equivalent sports facilities, for all state schools with pupils aged 8 years or older.

My Department has published guidance on the size of school grounds in Building Bulletin 82 "Area Guidelines for Schools".

A new Building Bulletin, "School Grounds—a guide to good practice", which is in preparation now for publication this Autumn, will include detailed, practical advice on playing fields.

Employment Service

Mrs. Gorman: To ask the Secretary of State for Education and Employment if there will be any increase in staffing levels at the Employment Service to implement (i) The New Deal and (ii) The Gateway. [8203]

Mr. Alan Howarth: Responsibility for the subject of the questions has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mrs. Teresa Gorman, dated 17 July 1997:

The Secretary of State has asked me to respond to your question about staffing levels in the Employment Service as a result of implementing the New Deal. This is something that falls within the responsibilities delegated to me as Chief Executive of the Agency. This reply refers to the New Deal including the "Gateway" process for young people which we see as an integral part of the New Deal programme rather than as a separate entity.

For the New Deal to operate successfully it is clear that there will need to be additional staff in Jobcentres to support each of the elements and options of the programme. We are in the process of assessing how these activities will be delivered together with their associated staffing requirements. The net impact on staffing in Jobcentres will need to take into account other factors such as changing levels of unemployment.

I hope this is helpful.

Physical Education Teachers

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment what plans he has to introduce flexible contracts for teachers of physical education; and if he will make a statement. [8003]

Mr. Byers: It is for school governing bodies to negotiate contracts of employment with teachers of physical education. My right hon. Friend has no plans to change the statutory conditions of employment of those teachers.

Education Funding

Mr. Luff: To ask the Secretary of State for Education and Employment what steps he is taking to apply his policy of fair funding of education to the county of Hereford and Worcester. [7826]

Mr. Byers: We are reviewing the education SSA methodology on which the distribution of revenue support grant to local education authorities will be based in 1998–99. Consultative meetings between central and local government representatives are taking place over the summer leading up to the compilation of a report on options for possible SSA changes in the autumn.

Mr. Don Foster: To ask the Secretary of State for Education and Employment what additional amount would need to be spent *(a)* by each local education authority and *(b)* in total if the rate at which grants for education support and training are payable changed from 60 per cent. to 50 per cent. without change in his Department's planned expenditure for 1998–99; and if he will make a statement. [8886]

Mr. Byers *[holding answer 15 July 1997]:* Plans for 1998–99 GEST programme and its funding have yet to be finalised. The following table shows the increase in each LEA's contribution for the 1997–98 programme if grants currently paid at 60 per cent. were paid at 50 per cent. and the DfEE's contribution remained the same.

GEST 1997–98
Comparison of 60 per cent. grant rate with 50 per cent. grant rate

Local education authority	*LEA's additional contribution £000s*
City of London	6.6
Camden	179.2
Greenwich	272.4
Hackney	272.7
Hammersmith	130.4
Islington	286.0
Kensington and Chelsea	108.6
Lambeth	212.6
Lewisham	339.8
Southwark	314.9
Tower Hamlets	373.4
Wandsworth	253.5
Westminster	147.1
Barking	212.6
Barnet	188.1
Bexley	197.2
Brent	257.3
Bromley	185.1
Croydon	266.6
Ealing	276.9
Enfield	348.8
Haringey	299.6
Harrow	157.9
Havering	196.6
Hillingdon	164.5
Hounslow	240.9
Kingston upon Thames	103.0
Merton	185.8
Newham	355.6
Redbridge	221.8
Richmond upon Thames	129.4
Sutton	146.7
Waltham Forest	276.5
Birmingham	1,158.3
Coventry	477.3
Dudley	316.4
Sandwell	359.5
Solihull	229.9
Walsall	372.6
Wolverhampton	382.1
Knowsley	212.7
Liverpool	683.2
St. Helens	194.8
Sefton	238.2
Wirral	408.0
Bolton	334.3
Bury	191.2
Manchester	588.1
Oldham	262.4
Rochdale	251.6
Salford	249.2
Stockport	303.2
Tameside	248.1
Trafford	224.5
Wigan	383.9
Barnsley	308.3
Doncaster	361.2
Rotherham	302.7
Sheffield	514.0
Bradford	642.6
Calderdale	197.9
Kirklees	514.4
Leeds	877.3
Wakefield	388.3
Gateshead	225.7
Newcastle upon Tyne	368.5
North Tyneside	280.4
South Tyneside	188.3
Sunderland	310.5
Isles of Scilly	10.4

GEST 1997–98
Comparison of 60 per cent. grant rate with 50 per cent. grant rate

Local education authority	*LEA's additional contribution £000s*
Bath and North-east Somerset	93.7
City of Bristol	350.9
North-west Somerset	206.5
South Gloucestershire	301.1
Hartlepool	144.9
Middlesbrough	181.4
Redcar and Cleveland	205.9
Stockton on Tees	223.9
City of Kingston upon Hull	351.4
East Riding of Yorkshire	359.1
North-east Lincolnshire	181.4
North Lincolnshire	179.5
North Yorkshire	647.6
York	227.4
Bedfordshire	455.9
Luton	191.3
Buckinghamshire	479.6
Milton Keynes	228.1
Derbyshire	863.5
Derby	203.2
Dorset	347.7
Poole	103.9
Bournemouth	121.2
Durham	652.0
Darlington	105.8
East Sussex	438.5
Brighton and Hove	203.2
Hampshire	1,126.3
Portsmouth	147.7
Southampton	184.2
Leicestershire	547.2
Leicester	309.2
Rutland	32.0
Staffordshire	875.1
Stoke on Trent	323.9
Wiltshire	378.7
Swindon (Thamesdown)	190.8
Berkshire	722.4
Cambridgeshire	678.6
Cheshire	1,086.5
Cornwall	520.4
Cumbria	550.7
Devon	1,118.1
Essex	1,131.9
Gloucestershire	445.8
Hereford and Worcester	676.1
Hertfordshire	1,012.2
Isle of Wight	177.2
Kent	1,362.9
Lancashire	1,624.9
Lincolnshire	531.4
Norfolk	818.3
Northamptonshire	626.9
Northumberland	358.4
Nottinghamshire	997.3
Oxfordshire	613.8
Shropshire	453.4
Somerset	491.9
Suffolk	673.1
Surrey	724.7
Warwickshire	506.5
West Sussex	678.9
England	51,578.1

Mr. Webb: To ask the Secretary of State for Education and Employment what estimate he has made of the level in constant prices of education spending per school pupil in *(a)* England and *(b)* each English LEA for (i) 1997–98, (ii) 1998–99 and (iii) 1999–00 assuming that all of the additional funding allocated to education in the Budget is spent on education. [8584]

Mr. Byers *[holding answer 15 July 1997]:* For 1997–98, net Education Standard Spending (ESS) for England equates to £2,382 per pupil. In 1998–99, at constant prices, this will rise to £2,499. Allocations for each LEA in the form of Standard Spending Assessments for 1988–89 will be made in the Autumn. Figures for 1999–00 will be determined nearer the time. ESS is not prescriptive: LEAs are free to spend more or less, in the light of their own view of priorities.

Schools (Windfall Tax)

Mr. Fitzpatrick: To ask the Secretary of State for Education and Employment (1) when the criteria for qualifying for help from the funds for schools set aside from the windfall tax will be produced; [8018]

(2) what proposals he has to give areas with a larger percentage of old school buildings priority when the funds for schools from the windfall tax are distributed. [8019]

Mr. Byers: We shall shortly be writing to Schools, Local Education Authorities, the Funding Agency for Schools and the representatives of Voluntary Aided Schools with details of how New Deal for Schools capital will be distributed.

Income Support

Mr. Rooney: To ask the Secretary of State for Education and Employment (1) how many claimants had their income support reduced in each of the first two quarters of 1996–97 for non-attendance or failure to complete (i) jobplan workshops, (ii) restart courses, (iii) workwise and worklink and (iv) 1–2–1; [7730]

(2) how many claimants had income support reduced for *(a)* two weeks and *(b)* four weeks for non-attendance or failure to complete project work in the first two quarters of 1996–97. [7729]

Mr. Alan Howarth *[holding answer 10 July 1997]:* Responsibility for the subject of the questions has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Terry Rooney, dated 17 July 1997:

The Secretary of State has asked me to reply to your questions about how many claimants had their Income Support reduced in each of the first two quarters of 1996–97 for non-attendance or failure to complete (i) Jobplan Workshops, (ii) Restart Courses, (iii) Workwise and Worklink and (iv) 1–2–1, and how many claimants had Income Support reduced for (a) two weeks and (b) four weeks for non attendance or failure to complete Project Work in the first two quarters of 1996–97. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

Unfortunately, the information is not available in the form you require. It may help if I explain that decisions on Income Support for non attendance on or failure to complete Project Work are based on opinions given by Employment Service adjudication officers. In the period April 1996 to September 1996, Employment Service adjudication officers gave 43 opinions which may have led to a reduction in the amount of Income Support payable. The information

available does not show whether this would have been for two weeks or four weeks. Not all adverse opinions will necessarily have resulted in a reduction of Income Support.

Information on the number of claimants whose Income Support was reduced during the same period for non attendance on or failure to complete Jobplan Workshops, Restart Courses, Workwise, Worklink, and 1-2-1 was not collated centrally and unfortunately can not therefore be provided.

I hope this helps to clarify the situation.

School Performance Tables

Mrs. Gordon: To ask the Secretary of State for Education and Employment what is his Department's assessment of the *(a)* advantages and *(b)* disadvantages of league tables for public examination results; and what assessment he has made of the utility to parents of data contained in these reports. [8438]

Ms Estelle Morris: Performance tables of examination results inform the debate on standards and focus attention on the areas where action is needed. Most parents are aware that the information is available and find it valuable when making decisions. But they need to have a fuller picture. Secondary tables this November will show how schools have improved over time. We aim to include value-added measurements the following year.

Mrs. Gordon: To ask the Secretary of State for Education and Employment what assessment he has made of the advantages of taking account of secondary school intake in school performance tables. [8440]

Ms. Morris: Secondary school performance tables need to show the progress pupils have made, from their different starting points, as well as success in public examinations. The School Curriculum and Assessment Authority have reported that it is possible to measure value added in schools. I have asked them to take forward this work with the aim of including such measures in secondary tables in 1998. We shall consult fully on this.

Further Education (Mentally Ill People)

Mr. Etherington: To ask the Secretary of State for Education and Employment when his departmental officials last met representatives of the Further Education Funding Council regarding the provision of further education services to patients detained under the Mental Health Act 1983. [8504]

Dr. Howells: Officials have not held any meetings with FEFC officers on this issue, but there has been contact with FEFC, by telephone and correspondence, on this matter.

Mr. Etherington: To ask the Secretary of State for Education and Employment what plans he has to ensure that further education services are available to patients detained under the Mental Health Act 1983; and if he will make a statement. [8503]

Dr. Howells: Section 60 of the Further and Higher Education Act 1992 debars the Further Education Funding Council from funding the education of patients detained under the Mental Health Act 1983. The Government has no plans for amending the legislation in this area.

Excluded Pupils

Mrs. Gordon: To ask the Secretary of State for Education and Employment if he will ensure that pupils permanently excluded from particular schools have places at other schools. [8439]

Ms Estelle Morris: Local education authorities have a statutory duty to arrange suitable education for children of compulsory school age who are out of school by reason of exclusion or otherwise.

Departmental Publications

Sir Richard Body: To ask the Secretary of State for Education and Employment what was the cost of producing the White Paper "Excellence in Schools"; and how many copies have been printed. [8639]

Mr. Byers: The cost of printing the White Paper was met by the publishers, The Stationery Office. The Department met the cost of design, photography and typesetting which amounted to some £78,700 including VAT. Sixty thousand copies have been printed but I understand that a reprint of a further 1,500 copies has now been put in hand by The Stationery Office.

Sir Richard Body: To ask the Secretary of State for Education and Employment what was the cost of producing the video accompanying the White Paper, "Excellence in Schools"; and how many copies have been produced. [8646]

Mr. Byers: The cost of producing the video and reproducing 30,000 copies, 28,000 of which will be distributed in September to all schools in England, is expected to cost £131,300 including VAT.

Sir Richard Body: To ask the Secretary of State for Education and Employment how many organisations have been sent a copy of the White Paper, "Excellence in Schools". [8637]

Mr. Byers: The White Paper has been sent to all schools, with separate copies to headteachers and chairs of governing bodies, all Further Education institutions, all local education authorities, all MPs and a wide range of other interested organisations and individuals.

School Premises Regulations

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to re-introduce the School Premises Regulations; and when the Regulations will be introduced to cover three to five-year-olds within the new proposals for early years education. [8649]

Mr. Byers: There are already school premises regulations in place: currently these are the Education (School Premises) Regulations 1996, which replaced the Education (School Premises) Regulations 1981 last September.

The Regulations set minimum standards for school premises and facilities, and apply to all state sector schools, including those with pupils aged from three to five years.

Workskill Pilot Schemes

Mr. Chaytor: To ask the Secretary of State for Education and Employment what assessment he has made

of the current workskill pilot schemes in respect of their contribution towards education and training opportunities for unemployed adults. [8640]

Mr. Alan Howarth: It is too early to make an assessment of the existing Workskill pilots at this stage. They have been operating in four areas since April this year. The pilots will be fully evaluated to provide us with valuable information on the extent to which allowing people to study on benefits affects their chances of gaining and remaining in employment. The first evaluation findings are expected to be available in early 1998.

Low Pay

Mr. Gordon Prentice: To ask the Secretary of State for Education and Employment what is the lowest hourly rate paid for full-time employment that has been advertised in a jobcentre over the last 12 months. [8641]

Mr. Alan Howarth: Responsibility for the subject of the questions has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Gordon Prentice, dated 17 July 1997:

The Secretary of State has asked me to write to you direct in reply to your question about the lowest hourly rate paid for full time employment that has been advertised in a Jobcentre over the last 12 months. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

I regret that I am unable to provide the information you have requested. The Employment Service does not collect statistical information on the wage rates on offer for vacancies advertised in Jobcentres.

I am sorry I cannot be more helpful.

Teachers (Early Retirement)

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the number of *(a)* headteachers, *(b)* deputy headteachers and *(c)* other teachers taking (i) premature retirement and (ii) normal age retirement in the academic years 1996–96 and 1996–97; and if he will make a statement. [8734]

Mr. Byers: The information requested is available for financial rather than academic years and, before 1996–97, such information on Heads and Deputy Heads is readily available only in relation to premature retirements. The following table shows the available information.

	Heads	*Deputy heads*	*Others*	*Total*
Age (1996–97)	283	162	4,005	4,450
Premature (1996–97)	1,283	1,089	13,627	15,999
Premature (1995–96)	992	944	11,119	13,055

1. The total number of normal age retirements in 1995–96 was 4,497.

2. The figures for others include all other members of the Teachers' Superannuation Scheme.

Foundation Schools

Mr. Willis: To ask the Secretary of State for Education and Employment in what circumstances it is his policy in cases where a majority of parents wish an existing county school to become a foundation school, to support their wishes. [8647]

Mr. Byers: The White Paper "Excellence in Schools" set out our plans for introducing a new framework of community, aided and foundation schools to replace the existing categories of schools. Chapter 7 proposes that, in order to minimise disruption for schools, the necessary legislation should be framed in terms of a set of assumptions that schools in an existing category will generally move to a specified new category. But the governing body will be able to choose a different legal category if they wish, and parental ballots will be available as a mechanism for parents to express their views.

Private Schools

Sir Teddy Taylor: To ask the Secretary of State for Education and Employment, pursuant to paragraph 10, of page 10 of the White Paper, "Excellence in Schools", what is the statistical basis for the statement in respect of the Government's reliance on private schools to provide elite entry to universities and the professions. [8773]

Mr. Byers: Unlike today, there was no systemic national collection of statistics on the entry to universities in the 19th century. However the view that most historians of education take of the position of higher education in England at the turn of the century would support the statement in the White Paper. For example, V. H. H. Green in *The Universities* (Penguin, 1969) on page 125 states that, "Oxford and Cambridge still remained in 1900 the principal finishing schools of the upper and middle classes, recruiting most of their undergraduates from the independent public schools".

Project Work

Mr. Pearson: To ask the Secretary of State for Education and Employment (1) how many contracts for Project Work have been awarded to date in the Dudley and Sandwell Employment Service area; and if he will make a statement; [8793]

(2) who is responsible for awarding Project Work contracts in the Dudley and Sandwell area; [8794]

(3) what outputs have been achieved to date by the Project Work pilot in Dudley and Sandwell. [8795]

Mr. Andrew Smith *[holding answer 16 July 1997]:* Responsibility for the subject of the questions has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Ian Pearson, dated 17 July 1997:

The Secretary of State has asked me to respond to your questions about the current status of Project Work contracts in the Dudley and Sandwell Employment Service area, who is responsible for awarding the contracts, and what outputs have been achieved to date by the pilot.

It may be helpful if I first give some background to the Project Work pilots. Project Work provides jobsearch help and practical work experience for very long-term unemployed people (2 years + and aged between 18 and 50), with the aim of helping them into work.

The pilots have two phases. Following their Restart interview, participants enter a period of structured jobsearch help, during which they are offered a series of interviews with Employment Service advisers, and are made aware of a wide range of programmes designed to help people get work. If participants remain unemployed for 3 months they are required to attend a 13-week period of work experience of benefit to the local community. The 13-week period normally involves 18 hours of work experience and 3 hours of jobsearch each week.

In answer to the specific questions you asked about the pilots in Dudley and Sandwell, four contracts have been awarded to operate the work experience element; two have been awarded to the British Trust for Conservation Volunteers (BTCV), one to the Black Country Employment Training Association, and one to Dudley Chamber Training. The contracts were awarded during week commencing 14 July 1997 by the Regional Resources Manager for the Employment Service West Midlands Region.

Outputs to date relating to the Dudley and Sandwell Project Work pilot cover only the period of intensive jobsearch help, which began on 24 February 1997. Outputs up to and including 10 July 1997 are as follows:

Clients interviewed:

2,396

Clients leaving the register:

781

of whom:

179 left to go into employment

79 left to go into Training for Work

271 left as a direct result of adviser action

134 left for other reasons

118 transferred to other benefits.

In addition, 61 participants have started on Work Trials, 57 have started on Jobclub, and 62 applications have been received for the Workstart subsidy.

I hope this is helpful.

Higher Education

Mr. Willis: To ask the Secretary of State for Education and Employment how many part-time students in higher education have to contribute to all or part of their tuition fees. [8720]

Dr. Howells: Data from the Higher Education Statistics Agency for the academic year 1996–97 showed that 234,300, that is some 60 per cent., of the 384,600 part-time student enrolments for which the source of fees were known received no financial backing, and so fees were met by the students concerned. Over 30 per cent. of the remaining enrolments were paid by employers or other organisations and in just over 5 per cent. of cases no fee was paid.

Mr. Willis: To ask the Secretary of State for Education and Employment what proposals he has to encourage students from poorer homes to enter higher education. [8717]

Dr. Howells: The Government recognises that participation in higher education by students from poorer homes is closely related to educational achievement up to 18 years of age. The policies set out in our White Paper "Excellence in Schools" should greatly improve the educational opportunities for all children. In developing our policy to widen participation among students from poorer backgrounds, we shall consider carefully the recommendations of the National Committee of Inquiry into Higher Education, which is expected to report shortly.

Press Releases

Mr. Chidgey: To ask the Secretary of State for Education and Employment how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8823]

Dr. Howells: The Department's press releases are made available to hon. Members and to the media via the Central Office of Information's News Distribution Service (NDS).

NDS's delivery mechanisms include a newswire service which, among others, supplies press releases to the Parliamentary Online Information Service (POLIS) which can be accessed by all MPs and Lords. Other methods include a van service to all national media, fax retrieval system and a widely accessed Web site on the internet.

These mechanisms are used either singly or in combination to ensure the most cost-effective methods are used to reach the media and to suit the nature of the documents e.g. whether press releases are despatched on their own, or accompanied by reports, consultation documents etc; no separate costing is available for the van delivery service alone.

My Department issued 57 press releases between 1 January and 1 March and 86 press releases between 1 May and 1 July.

My Media Relations Division and COI keep a watching brief on new developments to ensure the most cost-effective delivery mechanisms are used at all times.

Access Funds

Mr. Pickthall: To ask the Secretary of State for Education and Employment what resources will be available for access funds for students in further and higher education institutions in England in 1997–98; and when he proposes to issue new guidance on the use of the funds. [9801]

Dr. Howells: The Department is making available £27.733 million for Access Funds for students in further and higher education in England for the academic year 1997–98. The total sum is being allocated between the two Funding Councils for England as follows:

	£ million
(i) Higher Education Funding Council for England to be allocated as follows:	21.693
Undergraduate Fund	15.953
Postgraduate Fund	5.40
Further Education Fund	0.34
(ii) Further Education Funding Council	6.04
Total	27.733

The Department will shortly be writing to the two Funding Councils with guidance to be given to institutions about allocation and use of the Funds for 1997–98.

Education (Student Loans) Act 1990

Mr. Miller: To ask the Secretary of State for Education and Employment if he will place in the Library a copy of the Education (Student Loans) Act 1990, showing the proposed amendments contained in the new Education (Student Loans) Bill 1997. [9802]

Mr. Byers: For the assistance of Members, I have today placed in the Library a copy of a consolidation of the 1990 Act, showing the proposed amendments.

NORTHERN IRELAND

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Northern Ireland on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8073]

Mr. Paul Murphy: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest, not the Minister to know (paragraph 63 of Cm 2850). It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests. Should evidence of non-declaration emerge, or contravention of the Resolution of the House relating to delegations to Ministers, the matter would be brought to the attention of the Parliamentary Commissioner for Standards.

Mr. Campbell-Savours: To ask the Secretary of State for Northern Ireland if she will ensure that *(a)* Ministers and *(b)* officials in her Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Member under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8070]

Mr. Murphy: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interest or those of others.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Northern Ireland (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have met commercial lobbyists to discuss matters relating to the business of her Department; and if she will introduce a register of such meetings; [8071]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if she will introduce a register of such meetings. [8072]

Mr. Paul Murphy: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn), *Official Report*, 2 June 1997, column *99*, Ministers and officials receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Departments cannot keep a register of such meetings.

Voluntary Sports Clubs

Mr. Nigel Jones: To ask the Secretary of State for Northern Ireland what is the estimated cost of granting mandatory rate relief to voluntary sports clubs in Northern Ireland; and if she will make a statement. [8008]

Mr. Paul Murphy: The estimated cost of granting mandatory rate relief to sports and recreation facilities in Northern Ireland in terms of rate revenue forgone is approximately £1.3 million in the year 1997–98.

Mr. Nigel Jones: To ask the Secretary of State for Northern Ireland what Government proposals exist to harmonise rate relief for voluntary sports clubs in Northern Ireland; and if she will make a statement. [8007]

Mr. Murphy: Rate relief for voluntary sports clubs is harmonised throughout Northern Ireland by virtue of the provisions set out in Article 31 of the 1977 Rates (NI) Order as amended by the Article 3 of the 1979 Rates (NI) Amendment Order.

Judicial Reviews

Ms Hodge: To ask the Secretary of State for Northern Ireland (1) on how many occasions since 1994–95 legislation has been introduced by the department *(a)* to remove effects of judicial review decisions and *(b)* to implement them; [7840]

(2) how many decisions by her Department were challenged by way of judicial review in each Parliamentary session since 1994–95; and if she will list in how many cases *(a)* the Department's decision was upheld, *(b)* the court found for the applicant, *(c)* the Department submitted to the judgment and *(d)* the Department appealed successfully against the judicial review decision. [7868]

Mr. Paul Murphy: This information is not readily available in the Northern Ireland Office and Northern Ireland Departments as no central record is kept of applications for judicial reviews.

Sean Quinn Glass Factory

Mr. Healey: To ask the Secretary of State for Northern Ireland, pursuant to her oral answer to the hon. Member for Barnsley, Central (Mr. Illsley) of 9 July, *Official Report*, column 927, on what date the decision was taken to agree to award industrial development grant to the Sean Quinn Group; and which Minister took the decision. [8466]

Mr. Ingram *[holding answer 14 July 1997]*: The decision was taken on 17 April 1997 by the then Minister for Economy and Agriculture.

Mr. Healey: To ask the Secretary of State for Northern Ireland on what date the contract to give industrial development grant to the Sean Quinn Group was signed. [8467]

Mr. Ingram *[holding answer 14 July 1997]*: On 1 May 1997.

Ordnance Survey

Dr. Starkey: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Ordnance Survey of Northern Ireland in 1997–98. [9804]

Marjorie Mowlam: For 1997–98, the following performance targets have been set for OSNI:

Output

To complete the digital conversion programme by 1999–2000 financial year by converting 1,700 large scale map sheets to digital format.

To survey 50,000 survey units.

To update the digital topographic database with 24,000 survey units of change.

Quality of Service

To complete 95 per cent. of specific customer requests for up to 10 surveyed units of change within three working days of customer request.

To dispatch within seven working days 96 per cent. of customers' orders for small and large scale basic format maps.

Efficiency

To reduce unit costs so that the weighted mean percentage reduction of selected representative activities is 2 per cent.

Financial

To recover from the sale of goods and services 28 per cent. of the total costs incurred by the Agency.

Tradeable Services Projects

Dr. Starkey: To ask the Secretary of State for Northern Ireland what assessment she has made of the adequacy of the controls on the levels of selective financial assistance that can be made available to tradeable services projects in Northern Ireland. [9805]

Mr. Ingram: The controls are the same as for manufacturing projects, except that the ceiling on percentage contribution does not apply. This change allows for the different financial profile of tradable services projects which normally do not involve the substantial expenditure on capital items that is typical of manufacturing projects.

Child Support Agency

Mr. Desmond Browne: To ask the Secretary of State for Northern Ireland what plans she has to publish details of the targets for the Child Support Agency; and if she will make a statement. [9837]

Mr. Worthington: The Child Support Agency will publish its 1997–98 Business Plan and Strategic Plan 1997–2000 today. Copies will be placed in the Library.

The targets that I have set for the Child Support Agency for 1997–98 are set out below.

£11.2 million of maintenance to be collected, or arranged for direct payment from absent parents with care.[1]

98 per cent. of payments made to parents with care to be made within 10 working days of receipt from the absent parent.

The cash value of all assessments checked in the year to be correct in at least 85 per cent. of cases.

Where a client is dissatisfied with a child support officer's decision and requests a review, 60 per cent. to be cleared within 13 weeks and 95 per cent. to be cleared in 26 weeks.

70 per cent. of new maintenance applications to be cleared within 26 weeks and as at 31 March 1998 no more than 1 per cent. of maintenance applications received by the Agency to be over 12 months old.[2]

To manage the Agency's resource so as to deliver its Business Plan within the gross allocation as adjusted during the course of the year; this includes the administration of the Belfast CSAC.

The targets in the Business Plan represent a sizeable challenge to the Agency and provide a firm basis for taking the business forward. The targets include measures of accuracy and of the time taken to provide services. This underlines the Agency's continuing focus on quality and client services in 1997–98.

[1] This target includes cases where maintenance is paid direct by the absent parent to the parent with care.

[2] For this target, applications include all cases received via the Social Security Agency or from private clients.

Health and Social Services Estates Agency

Mr. Desmond Browne: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Northern Ireland Health and Social Services Estates Agency. [9838]

Marjorie Mowlam: The targets below have been set for the Northern Ireland Health and Social Services Estates Agency for 1997–98. The targets are in line with the Government's policy of seeking to improve the service provided to clients in terms of both quality and value for money. I am satisfied that the targets present a demanding challenge for the Agency. They are as follows:-

Delivery of services

Provide the Agency's services in accordance with the requirements of the Service Level Agreements agreed with clients.

Develop the management process for the Retained Estate in support of the HSS–E by March 1998.

Provide HSS–E with a Defects Centre in relation to the HPSS Estate.

Investigate and clear 60 per cent. of all adverse incidents within six months of notification of Health Estates.

Provide support and advice to the HSS–E on environmental and energy issues and establish an annual environmental award for best environmental practice within the HPSS estate.

Review Firecode in the light of the impending Places of Work Regulations and deliver to the HSS–E the annual Fire Report on the HPSS estate by March 1998.

Complete for HSS Trust clients nine Outline Business Cases of total estimated capital value £29.15 million.

Complete planning and design team briefing for one scheme, estimated capital value £1.3 million.

Complete tender process and move to construction stage five schemes of estimated capital value £99.44 million.

Project Manage to completion on site 13 schemes of estimated total capital value £12.57 million.

Complete design and/or achieve Practical Completion in respect of 15 schemes (value £4 million), these to include feasibility studies and Planning Supervision in compliance with CDM Regulations.

Arrange for the Completion of Defects Certificates to be issued for 85 per cent. of all schemes completed in the previous year. Issue Final Certificates after the agreement on Final Account of 60 per cent. of outstanding contracts.

Provide lead Clerks of Works Inspection Services on Craigavon Hospital, Causeway Hospital, Altnagelvin Hospital and the Royal Group of Hospitals on projects valued at £98 million.

Complete 85 per cent. of periodic specialist equipment tests by their programmed date and remainder within six weeks of that date. Complete 75 per cent. of specialist and diagnostic equipment acceptance tests, equipment evaluations and other tests within six weeks of receipt of request and the remainder within 10 weeks.

Complete Electricity At Work Regulation compliance surveys and issue recommendations for one Trust and two Hospital Sites.

Provide High Voltage, Low Voltage and Medical Gas Pressure Systems Authorising Engineer services to 23 locations.

Efficiency of service

Achieve an in-house 5 per cent. efficiency saving.

Complete the implementation of an enhanced management information and project costing system which will permit greater control of resources against client service needs.

Financial management and performance

Manage the Agency's resources so as to deliver its Business Plan within the gross budget allocation ad adjusted during the course of the year.

Ensure that the Agency's management accounting and information systems are adequate to support the preparation of auditable accounts for 1997–98, thereby ensuring the issue of an Accounts Direction by the Department of Finance and Personnel.

A copy of the targets is being placed in the Library of the House.

DEFENCE

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Defence on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8109]

Dr. Reid: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest not the Minister to know (paragraph 63 of Cm 2850). It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests.

Mr. Campbell-Savours: To ask the Secretary of State for Defence if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8106]

Dr. Reid: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Procurement Executive

Mr. Keith Simpson: To ask the Secretary of State for Defence what the administrative costs of his Department's Procurement Executive at Abbey Wood are *(a)* in cash terms and *(b)* as a percentage of the defence budget in the current financial year. [8215]

Mr. Spellar: The internal operating cost budget (i.e. excluding extramural research, non-Abbey Wood capital works and equipment procurement expenditure) of the Procurement Executive at Abbey Wood and elsewhere is some £325 million or 1.5 per cent. of the Defence budget in the current financial year.

Administrative Costs

Mr. Keith Simpson: To ask the Secretary of State for Defence what estimate he has made of the administrative costs of his Department *(a)* in cash terms and *(b)* as a percentage of the defence budget. [8130]

Dr. Reid: The defence budget for 1997–98 is £21.822 billion, which reflects a reduction of over 25 per cent. in real terms over the past 10 years. Within this, the Ministry of Defence does not distinguish between costs incurred in delivering its objectives and costs incurred in administering the delivery of those objectives. Responsibility for expenditure on all elements of defence operating costs, which include the costs of administration as well as those of delivering most aspects of military capability, is delegated to thirteen Top Level Budget holders. Planned expenditure by them for 1997–98 is £16,382 million, or 75.1 per cent. of the defence budget.

Operational Effectiveness

Mr. Keith Simpson: To ask the Secretary of State for Defence what is his Department's definition of operational effectiveness. [7827]

Dr. Reid: Operational effectiveness is defined differently according to the context. At the highest level it is the ability of the UK's forces successfully to carry out their missions. At the operational level, it is evaluated by measuring operational capabilities against those of potential adversaries in particular sets of circumstances.

Casual Employees

Mr. Hancock: To ask the Secretary of State for Defence if he will make it his policy to eliminate the category of casual employee. [7925]

Mr. Spellar: No. Recruitment to posts in the Civil Service is governed by the Civil Service Recruitment Code which permits the recruitment of staff on permanent, short term or casual contracts. This depends on the nature of the employment offered. Where a job is clearly temporary, or there is genuine uncertainty about work requirements, casual appointments for periods of up to 12 months are permitted.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Defence (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8108]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings. [8107]

Dr. Reid: As my right hon. Friend the Prime Minister explained on 2 June 1997 in response to the hon. Member for Newport, West (Mr. Flynn), *Official Report*, column 99, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department cannot keep a register of such meetings.

Offset Obligations

Mr. Hancock: To ask the Secretary of State for Defence what offset obligations have been made over the last 10 years by *(a)* year and *(b)* company; how compliance with them has been monitored; and what proportion of the obligations have been fulfilled to date. [8665]

Mr. Spellar: Over the past ten years, 42 industrial participation agreements have been recorded as follows:

Year	*Company*
1987	CAE Electronics
	Evans and Sutherland
1988	Westinghouse
	Boeing Helicopters
	Cummins
1989	Sperry-Marine
1990	McDonnell Douglas
1991	—
	E-Systems
	Hughes Aircraft
	Raytheon
	SAAB
1992	Westinghouse
1993	—
	CAE Electronics
	Lockheed Martin
1994	Texas Instruments
	Alliant Tech Systems
	Boeing Helicopters
	CAE Electronics
	Computing Devices (Canada)
	Hughes Danbury
	ITT Avionics
	Loral
	McDonnell Douglas (2)
	Parker Bertea
1995	TAAS
	BMW Rolls-Royce
	Boeing Defence and Space Group
	Boeing NA Inc.
	Bristol Aerospace
	ETC
	Lockheed Martin (2)
	Lockheed Martin Federal Systems
	Longbow Int.
	Rockwell Int.
	Sextant Avionique
	Smiths Ind.Aerospace
1996	Telephonics Corp.
	Bell Textron
	Eurocopter
1997	BAe-Matra

Companies with industrial participation obligations are required every six months to reports detailing the work placed in the UK. A 100 per cent. audit of these reports is carried out to ensure that obligations are fully met.

To date, 11 of the agreements have been concluded successfully. Those remaining are the more recent ones and they are on course for successful completion.

Foreign Military Personnel (Training)

Mr. Hancock: To ask the Secretary of State for Defence, pursuant to his answer of 16 June, *Official Report*, columns *87–88*, in which years students from Libya attended military training courses in the United Kingdom; how many students were involved; and what were their ranks and the subject matter of their courses. [8767]

Dr Reid: Further examination of Departmental records indicates that no training has been provided to Libya in the past ten years. Both Libya and Iran were regrettably included in error in my previous answer of 16 June, *Official Report*, columns *87–88*, as both countries had requested training which was not in fact provided. I am grateful to the hon. Member for providing this opportunity to set the record straight.

Press Releases

Mr. Chidgey: To ask the Secretary of State for Defence how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8822]

Mr. Spellar: Delivery of Press Notices to hon. Members and to the media is undertaken on our behalf via the Central Office of Information's News Distribution Service (NDS). My Department issued 27 press releases during the period 1 May to 1 July 1997, and 13 during the period 1 January to 1 March 1997.

NDS's delivery mechanisms include a newswire service which, among others, supplies press releases to the Parliamentary Online Information Service (POLIS), hand deliveries, fax and postal deliveries, online databases, and a widely accessed Web site on the Internet.

The mechanisms employed are used either singly or in combination to reach target audiences in the most cost-effective way, and to suit the nature of the documents.

My Department and the COI keep a watching brief on new developments to ensure the most cost-effective delivery mechanisms are used.

Harrier Jet Crash, Kirkcudbrightshire

Mr. Alasdair Morgan: To ask the Secretary of State for Defence what was the cost of the recovery and clean-up operation following the recent crash of a Harrier jet near Gelston, Kirkcudbrightshire. [8716]

Mr. Spellar: The extra costs incurred by my Department in recovering the aircraft and during the environmental clean-up operation are estimated to be in the order of £53,000. This figure does not include the cost of any claims received as a result of the accident.

Low Flying

Mr. Alasdair Morgan: To ask the Secretary of State for Defence (1) if he will list the avoidance sites for operational low flying in Low Flying Area 20T which lie within the Galloway and Upper Nithsdale constituency; [8718]

(2) if he will list the avoidance sites for low flying in Low Flying Area 16 which lie within the Galloway and Upper Nithsdale constituency. [8719]

Mr. Spellar: No. The Government has to strike a balance between providing information on how the UK Low Flying System operates and retaining the freedom to manage an essentially dynamic system efficiently. I am therefore withholding the information requested under exemption 7b of the Code of Practice on Access to Government Information.

RAF Menwith Hill

Mr. Baker: To ask the Secretary of State for Defence if he proposes to give a further 21-year assurance to United States forces at Royal Air Force Menwith Hill in respect of site availability. [9130]

Dr. Reid: The US authorities have not sought any renewal of the previous assurances. Their use of the site continues under general arrangements between the two Governments concerning the stationing of forces.

Mr. Baker: To ask the Secretary of State for Defence on what date in 1997 the assurance given in 1976 to United States forces in respect of the making available of Royal Air Force Menwith Hill to United States forces expires. [9131]

Dr. Reid: The assurance, which was given in order to facilitate US funding commitments, covered the period up to 30 May 1997. It was not, nor was it ever envisaged to be, any form of renewable lease.

Atomic Weapons Establishment

Ms Julie Morgan: To ask the Secretary of State for Defence, pursuant to his answer of 30 June, *Official Report,* column *63,* relating to the Atomic Weapons Establishment site at Llanishen, how long he estimates it will take to decontaminate the site. [9111]

Mr. Spellar: It is never possible at the outset of such a process to give a reliable estimate of how long it will take, because the extent of decontamination work must depend upon precisely what is encountered. During the process of decommissioning and decontaminating the Llanishen site, Land Quality Statements will be produced which will determine what measures are required to render the site fit for subsequent use. Given these circumstances we would not expect the process to be completed in less than five years.

CABINET OFFICE

Millennium Experience

Mr. Clappison: To ask the Minister without Portfolio what representations he has received about the commission to be paid to Mr. Mark McCormack in connection with the Millennium Experience. [6464]

Mr. Mandelson: I have received a number of representations following reports in the press that International Management Group's commission for raising sponsorship of £150 million would be in the order of £27 to £30 million. In fact, if IMG reach the target set by the New Millennium Experience Company, they will receive in the order of £9 million, a substantial discount on their normal commission.

Mr. Clappison: To ask the Minister without Portfolio what estimate he has made of the cost of tickets for the Millennium Experience. [6467]

Mr. Maude: To ask the Minister without Portfolio how much visitors will be charged to attend the Greenwich Exhibition. [8022]

Mr. Mandelson: The New Millennium Experience Company have advised that it is too early to produce a detailed ticketing structure for an event taking place in the year 2000. However, they have clearly stated that the price will be competitive in relation to other comparable attractions.

Ms Roseanna Cunningham: To ask the Minister without Portfolio if he will set out the remit and the salary and bonuses package of the right hon. Member for Henley (Mr. Heseltine) with regard to the promotion of the Millennium Dome project. [6128]

Mr. Mandelson *[holding answer 3 July 1997]:* The right hon. Member for Henley (Mr. Heseltine) is a member of the Millennium Commission. None of the Commissioners received remuneration for their position, other than out-of-pocket expenses.

Ms Cunningham: To ask the Minister without Portfolio how many staff are involved in the Millennium Dome project; and what are the (i) designation and (ii) salary and bonuses of the principal staff involved in the project. [6131]

Mr. Mandelson *[holding answer 3 July 1997]:* The New Millennium Experience Company—the operating company for the Millennium Experience at Greenwich—currently has 40 staff, ranging from the Chief Executive through to IT and administrative staff. The details of senior staff remuneration packages will be published in the accounts of the New Millennium Experience Company in the usual way.

Mr. Maude: To ask the Minister without Portfolio (1) what is the total budget for the Greenwich Exhibition; [8023]

(2) how much of the Greenwich Exhibition's budget will be financed through national lottery money; how much will be raised through corporate sponsorship; and how much will be generated through ticket sales. [8024]

Mr. Clappison: To ask the Minister without Portfolio what estimate he has made of the commission to be paid to Mr. Mark McCormack in connection with the Millennium Experience. [6465]

Mr. Mitchell: To ask the Minister without Portfolio what estimate he has made of the total cost of Millennium Experience; and if he will indicate the sources from which the money is to be raised. [6475]

Mr. Baker: To ask the Minister without Portfolio if payments to Mark McCormack in respect of the Millennium Experience will be in ratio to the amount of sponsorship raised if this sum fails to reach £150 million. [6904]

Mr. Mandelson: I refer my hon. Friend, the right hon. Member and hon. Members to the answer I gave to the hon. Member for Perth (Ms Cunningham) today.

Mr. Baker: To ask the Minister without Portfolio what is the maximum amount of public money not including that from national lottery sources that will be deployed on the Millennium Experience. [6899]

Mr. Maude: To ask the Minister without Portfolio how much public money the Government intends to spend on the Millennium Exhibition at Greenwich. [8031]

Mr. Mandelson *[holding answer 7 July 1997]:* The only taxpayers' money to be spent on the Millennium Experience is that which is already committed to English Partnerships to prepare the site. The total budget to prepare the site is £130 million. All other public support will come from the Lottery.

Mr. Baker: To ask the Minister without Portfolio what advice he has sought from the London Fire Brigade in respect of the materials identified for construction of the Millennium Dome; and if he will make a statement. [6905]

Mr. Mandelson *[holding answer 7 July 1997]:* The New Millennium Experience Company Ltd. have worked closely with the London Fire Brigade to ensure that the design and construction of the Dome is safe and they will continue to do so. The first priority of all those involved in the Millennium Experience must be to ensure public safety.

Mr. Maude: To ask the Minister without Portfolio how much money Lord Rogers is being paid for his work on the dome at Greenwich. [8033]

Mr. Mandelson: This is commercially confidential information. The New Millennium Experience Company will publish full accounts in due course.

Mr. Maude: To ask the Minister without Portfolio what companies are planning to stage displays in the dome at Greenwich. [8025]

Mr. Mandelson: The New Millennium Experience at Greenwich will not be a trade show. Sponsorship arrangements will be announced in due course.

Mr. Maude: To ask the Minister without Portfolio how many jobs will be created in the course of building the dome at Greenwich. [8029]

Mr. Mandelson: The New Millennium Experience is expected to create 2,000 new jobs during the construction, and a further 5,000 during the life of the project.

Mr. Maude: To ask the Minister without Portfolio how much money the Millennium Commission needs to raise from the private sector to help stage the exhibition at Greenwich. [8030]

Mr. Mandelson: This is the responsibility of the New Millennium Experience Company. NMEC aims to raise £175 million from the private sector in sponsorship.

Mr. Nicholls: To ask the Minister without Portfolio how much public money to date has been spent on the Millennium exhibition at Greenwich. [8044]

Mr. Mandelson *[holding answer 14 July 1997]:* The only taxpayers' money to be spent on the project is that which is already committed to English Partnerships to prepare the site for regeneration. To date £44 million has been spent on the site.

Mr. Nicholls: To ask the Minister without Portfolio if he will make a statement on the demonstrations and displays that will be held inside the dome at Greenwich. [8045]

Mr. Mandelson *[holding answer 14 July 1997]:* It is our aim to make the contents of the Dome a truly exciting experience, appealing to all sections of the UK population as well as to visitors from overseas. The New Millennium Experience Company—the operating company for the Greenwich project—is putting together a first class creative team. Their ideas will crystallise over the coming months.

Mr. Clappison: To ask the Minister without Portfolio when he expects to reply to the question from the hon. Member for Hertsmere of 2 July, relating to the Millennium Experience. [9017]

Mr. Mandelson: I have replied to three of the hon. Member's questions today. The one question still outstanding will be answered as soon as possible.

Mr. Clappison: To ask the Minister without Portfolio who the shareholders are in the company established in respect of the Millennium Experience. [9311]

Mr. Mandelson: I am sole shareholder in the New Millennium Experience Company.

Mark McCormack

Mr. Maude: To ask the Minister without Portfolio (1) what fee Mark McCormack of International Management Group will receive from the Millennium Commission; [8026]

(2) if he will make a statement on the provisions of the contract which he recently signed with Mr. McCormack of International Management Group to raise money for the Millennium Exhibition at Greenwich. [8027]

Mr. Mandelson: None. His contract is with the New Millennium Experience Company. The fees paid to Mark McCormack's International Management Group (IMG) will be on a sliding scale of 4 per cent. to 15 per cent. of the sponsorship raised, reflecting the fact that their task will become more difficult as the sponsorship total rises. All IMG's fees will be success related and they will bear all their own costs: i.e. no sponsorship, no fee.

Jenny Page

Mr. Maude: To ask the Minister without Portfolio what salary Jenny Page is being paid as chief executive of Millennium Central. [8032]

Mr. Mandelson: Miss Page's remuneration package includes a salary of £150,000 p.a., a pension of 15 per cent. and a bonus of up to 30 per cent. dependent on completing the term of the contract and subject to meeting performance targets set by the Board of the operating company, which is now called the New Millennium Experience Company.

LORD CHANCELLOR'S DEPARTMENT

Corruption

Mr. Forth: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list for the review of the Law Commission proposal for reform of the law on corruption *(a)* the expected completion date and *(b)* the cost of conducting the review. [8257]

Mr. Hoon: The Law Commission issued consultation paper No. 145 "Legislating the Criminal Code—Corruption" on 18 March 1997. The closing date for responses was 30 June 1997. Work began on the project in May 1996 and the Law Commission expects to produce a report by June 1998. The cost of the project to date is not available.

Legal Aid (Transaction Audit)

Dr. Cable: To ask the Parliamentary Secretary, Lord Chancellor's Department what are the 10 transaction criteria questions in audits of legal aid firms which most often result in non-compliance; and what proportion of firms fail to comply with each. [8118]

Mr. Hoon: This information is not available and could be derived only at disproportionate cost.

Dr. Cable: To ask the Parliamentary Secretary, Lord Chancellor's Department how many auditors the Legal Aid Board currently employs to carry out transaction criteria audits on legal aid firms; what was the estimated cost of employing *(a)* these auditors and *(b)* all Board staff concerned with franchising, including auditors and liaison managers in 1996–97; and what are the projected costs for 1997–98. [7908]

Mr. Hoon: The Legal Aid Board currently employs the full-time equivalent of 39.38 quality Auditors to carry out franchise related duties, including transaction criteria audits, with a current annual budget of approximately £600,000. In 1996–97, the cost of all aspects of franchising to the Legal Aid Board was approximately £4,000,000.

Planned expenditure for the maintenance and expansion of franchising in 1997–98 is £5,000,000.

Dr. Cable: To ask the Parliamentary Secretary, Lord Chancellor's Department in how many instances the results of transaction criteria audits on legal aid firms have led to quality concerns being registered against the firm. [8119]

Mr. Hoon: The Legal Aid Board uses transaction criteria as the process measure of service delivery in a specific case or proceeding type, and would use evidence of systematic omissions of information recorded, advice given, or steps taken, to raise quality concerns with the organisation, with a view to improving service provision. Since 1 April 1995 (when a new system was installed to provide details of all non-compliancies) 86 major (d) non-compliancies (this is where the organisation is not able to comply with one of number of mandatory franchise requirements) have been recorded as a result of transaction criteria audits.

Dr. Cable: To ask the Parliamentary Secretary, Lord Chancellor's Department how many transaction audits have been conducted for each of the Legal Aid Board's franchise categories; what is *(a)* the average number of files read and *(b)* the average number of person hours spent in respect of each audit; in how many instances the raw data have revealed a compliance rate below the minimum compliance rate established by the Legal Aid Board; and in how many instances the compliance rate has fallen below the established minima once the appropriate statistical significance test has been applied. [7905]

Mr. Hoon: *(a)* The Legal Aid Board has informed me that during the financial year 1996–97, the relevant information was as follows:

Franchise category	*Audits conducted*	*Average number of files audited*
Consumer and general conduct	300	2.3
Crime	958	5.2
Debt	266	2.8
Employment	235	2.7
Housing	382	3.2
Immigration	55	3.0
Matrimonial and family	1,498	5.1
Personal injury	1,279	4.5
Welfare benefits	95	2.7

(b) The average length of time spent auditing case files against the transaction criteria was 9.6 hours per audit. This was the time taken to conduct the actual transaction criteria audit only, and did not include selection of files, recording results, producing reports, providing feedback to the organisation, or any other time which is associated with the audit.

In 691 audits, the average compliance rate of the sample of case files was found to fall below the standard compliance for that franchise category.

Following the application of the statistical technique used during the transaction criteria audit, 70 audits were found to have a compliance range which the upper confidence interval fell below the standard compliance rate for that franchise category.

Members' Interests

Mr. Campbell-Savours: To ask the Parliamentary Secretary, Lord Chancellor's Department on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4*(b)*, 8 and 9 in the Register of Members' Interests. [8081]

Mr. Hoon: The first report from the Committee on Standards in Public Life (Cm 2850) made it clear that when Members are meeting Ministers or others on topics on which they have an interest, the onus is on the Member to declare that interest not the Minister to know (paragraph 63 of Cm 2850). It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests. Should evidence of non-declaration, or contravention of the Resolution of the House relating to delegations to Ministers emerge the matter would be brought to the attention of the Parliamentary Commissioner for Standards.

Mr. Campbell-Savours: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4*(b)*, 8 and 9 in the Register of Members' Interests. [8078]

Mr. Hoon: The first report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling members to retain interests outside the House, provided that these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests and those of others.

Civil Justice and Legal Aid (Review)

Mr. Forth: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will give for the Review of Civil Justice and Legal Aid Reforms *(a)* the expected completion date and *(b)* the cost of conducting the Review. [8232]

Mr. Hoon: The Lord Chancellor has asked Sir Peter Middleton to produce a preliminary report by the end of September. Any further work will depend on the terms of that preliminary report. The Review is expected to cost around £75,000 to the end of September.

Gazumping

Mr. Nigel Jones: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to outlaw the practice known as gazumping; and if he will make a statement. [7996]

Mr. Hoon: Work has now begun across a number of Government Departments co-operating together which will, amongst other things, look closely at the problem of gazumping and will lead to detailed proposals which will be in the interests of everybody involved in the sale and purchase of homes. A ministerial task group will steer the work to ensure that it is carried through efficiently and effectively.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Parliamentary Secretary, Lord Chancellor's Department (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8079]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8080]

Mr. Hoon: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn) *Official Report*, 2 June 1997 column *99*, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests of those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department can not keep a register of such meetings.

Keighley Magistrates Court

Mrs. Ann Cryer: To ask the Parliamentary Secretary, Lord Chancellor's Department when building work will begin on the new magistrates court house in Keighley. [7851]

Mr. Hoon: The provision of a new magistrates court in Keighley is in our Private Finance Initiative (Public/Private Partnership) building programme but I cannot say, at this time, when building work will commence.

Wills

Ms Beverley Hughes: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to introduce regulations to govern the qualifications and registration of those persons practising the writing of wills. [7873]

Mr. Hoon: The Government has no current intention to regulate the practice of will-writing. We are aware that there have been complaints about some firms providing will-writing services and are keeping the matter under review.

Crown Prosecution Service

Mr. Cohen: To ask the Parliamentary Secretary, Lord Chancellor's Department if it is his policy that the Crown Prosecution Service shall have rights of audience in Court. [7304]

Mr. Hoon: Barristers and solicitors in the Crown Prosecution Service (CPS) have full rights of audience in the magistrates' courts where the vast majority of criminal cases are dealt with. The Government is addressing the issue of whether it would be in the interests of justice to extend rights of audience to include CPS lawyers. The Government is considering the existing statutory procedures in this area.

Court Fees

Mr. Lock: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to extend automatic exemption from the requirements to pay fees *(a)* in (i) county court and (ii) High Court proceedings to litigants in receipt of (1) income-based jobseeker's allowance, (2) family credit and (3) disability working allowance and *(b)* in family proceedings to litigants in receipt of (x) family credit and (y) disability working allowance; and if he will make a statement. [9154]

Mr. Hoon: The Lord Chancellor has announced his intention to review the structure of civil court fees. As part of that review, he intends to examine the basis on which remissions are granted and to consider whether it would be appropriate for other categories of benefit to give rise to an automatic exemption from the liability to pay court fees. In Family Proceedings exemption from fees is already granted automatically to those in receipt of family credit as well as those in receipt of income support or of advice and assistance under the Green Form scheme. Other forms of benefit are in practice taken into account by court staff, to whom the day-to-day exercise of the Lord Chancellor's power to reduce or remit fees is delegated.

DUCHY OF LANCASTER

Members' Interests

Mr. Campbell-Savours: To ask the Chancellor of the Duchy of Lancaster on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8069]

Dr. David Clark: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest not the Minister to know [paragraph 63 of Cm 2850]. It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests.

Mr. Campbell-Savours: To ask the Chancellor of the Duchy of Lancaster if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8066]

Dr. Clark: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling Ministers to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Chancellor of the Duchy of Lancaster (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8067]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8068]

Dr. David Clark: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn) 2 June, column 99, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department cannot keep a register of such meetings.

Freedom of Information

Ann Clwyd: To ask the Chancellor of the Duchy of Lancaster when he intends to publish the White Paper on Freedom of Information; and if he will make a statement. [8908]

Mr. Gordon Prentice: To ask the Chancellor of the Duchy of Lancaster when he expects to publish his White Paper on Freedom of Information. [9088]

Dr. David Clark: I hope to publish the White Paper on Freedom of Information later this year.

Yorkshire

Mr. Gunnell: To ask the Chancellor of the Duchy of Lancaster which areas of Yorkshire are in the ownership of the Duchy. [6981]

Dr. David Clark *[holding answer 16 July 1997]:* The Duchy of Lancaster has approximately 18,125 acres of land in Yorkshire in its possession. These include areas of Pontefract, Pickering, Goathland, Cloughton, Scalby and Tickhill which are ancient inheritances and mainly consist of farmland and woodland. The Duchy also owns property in Harrogate and Knaresborough.

Press Releases

Mr. Chidgey: To ask the Chancellor of the Duchy of Lancaster how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8825]

Mr. Kilfoyle: Cabinet Office does not use couriers to bike press notices to hon. Members or to individuals or groups.

The Department issued 40 press releases in the period from 1 May to 1 July 1997 and 16 press releases from 1 January to 1 March.

My Department distributes press notices electronically, by fax and by post to ensure that they reach the media on time while ensuring value for money for the taxpayer.

Written Answers to Questions

Friday 18 July 1997

HEALTH

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Health on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8093]

Ms Jowell: The First Report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest not the Minister to know (paragraph 63 of Cm 2850). It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests. It is for the Member, and not the Minister, to ensure that the rules of the House are complied with.

Mr. Campbell-Savours: To ask the Secretary of State for Health if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8090]

Ms Jowell: The First Report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others. It is for the Member, and not the Minister, to ensure that the rules of the House are complied with.

Private Health Treatment

Mr. Rammell: To ask the Secretary of State for Health what plans he has to establish patient-GP contracts to ensure that all patients have agreed to private health treatment before undergoing that treatment. [8345]

Mr. Milburn: The General Practitioner's Terms of Service, as set out in Schedule 2 of the National Health Service (General Medical Services) Regulations 1992, makes clear that GPs must not charge or accept a fee for any treatment given to patients who are registered with them for NHS treatment except where the Terms of Service specifically allow them to do so. It is open to Fundholding GPs to refer patients, free of charge, for treatment in private hospitals but this needs the agreement of the patient. Where a private fee can be charged or the patient can be referred for private treatment, the patient has to be informed and his or her consent secured.

Waiting Times

Mrs. Ballard: To ask the Secretary of State for Health what action he will take to reduce waiting lists for elective surgery at the Taunton and Somerset NHS Trust. [8730]

Mr. Milburn: The extra £1.2 billion for the National Health Service that my right hon. Friend the Chancellor of the Exchequer announced on 2 July proves our commitment to the NHS. The extra money will enable us to treat more patients from waiting lists and will help us to end waits for cancer treatment. The legacy we have inherited from the previous Government is record numbers waiting for treatment and longer waiting times. We look to health authorities to maintain downward pressure on waiting times. In Somerset the health authority and hospitals are working to treat all patients within twelve months of a decision to admit.

Child Care

Mr. Streeter: To ask the Secretary of State for Health what is the average cost of providing *(a)* local authority accommodation and *(b)* a foster care place for one child per year. [8752]

Mr. Boateng: The latest available information on gross expenditure on residential accommodation and foster care for children, by local authorities in 1994–95, was published via the "Key Indicators 1997 Graphical System", copies of which are available in the Library. The figures for England were £1,151 and £157 per week, or about £60,000 and £8,200 per year for residential and foster placements respectively.

Health Authority Deficits

Mr. Mitchell: To ask the Secretary of State for Health if he will list the deficit of each English health authority which has overspent as a per capita figure against the population of the area. [9084]

Mr. Milburn: The information requested has been placed in the Library.

Patient Lists

Dr. Harris: To ask the Secretary of State for Health how many patients have been removed from patient lists in the last year by *(a)* general practitioner fundholding practices and *(b)* general practitioner non-fundholding practices. [9467]

Mr. Milburn: The number of patients removed from general practitioners lists in 94–95 is shown in the table. It is not possible to distinguish between those removals which relate to fundholding and non-fundholding general practitioners.

England	[1]*1994–95*
Patients removed from GP list because of act or threat of violence	692
Patients removed from GP list at request of GP	82,139
Patients transferred at the request of the patient	875
Bulk transfers on resignation or death of GP	2,518,124
Patients transferred for all other reasons	2,284,010
Total	4,885,840

[1] Latest data available Data is published in "GMP Census Additional Data Collection 1994–95", copies of which are available in the Library.
Source:
GMP Census.

Pay and Conditions

Mr. Levitt: To ask the Secretary of State for Health if he will take steps to restore the system of national negotiations on pay and conditions in the national health service. [9767]

Mr. Milburn: We wish to see a national system of pay determination, for those on national terms, supported by appropriate local flexibility. We have made a commitment to consult widely on possible changes to the National Health Service national pay system and our intention is to engage with all key stakeholders shortly.

Debt Payment

Mrs. May: To ask the Secretary of State for Health what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9530]

Ms Jowell: All departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could only be provided at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

Care (Legal Description)

Mr. Cawsey: To ask the Secretary of State for Health when the present legal description of care came into force. [9593]

Mr. Boateng: The present system for provision of residential accommodation by local authorities derives from the National Assistance Act 1948. This provides for residential accommodation for certain persons in need of care and attention but the word "care" is not defined in the legislation. The term "residential care home" is defined in the Registered Homes Act 1984.

DUCHY OF LANCASTER

Ethnic Minorities

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8940]

Dr. David Clark: There are no employees in my private offices that are of Asian origin and three employees who are of Afro-Caribbean origin representing 16 per cent. of the total staff complement.

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster how many and what percentage of employees, in each payband, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8941]

Dr. Clark: The quangos for which my Department is responsible are purely advisory and do not directly employ any staff.

Debt Payment

Mrs. May: To ask the Chancellor of the Duchy of Lancaster what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9521]

Mr. Kilfoyle: All Departments are required to pay all their bills within the agreed contract terms, or 30 days from receipt of goods or service or a valid invoice, whichever is the later, where no such terms exist. Information on payment performance for the current financial year could only be provided at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the Autumn.

NORTHERN IRELAND

Parades and Marches

Mr. Corbyn: To ask the Secretary of State for Northern Ireland when the decision was made to allow the Portadown Orangemen to march down the Garvaghy Road; and what were the criteria used for that decision. [7480]

Mr. Ingram *[holding answer 10 July 1997]:* The Chief Constable concluded on the night of Saturday 5 July that the parade should be permitted to proceed along its notified route on Sunday 6 July was made.

He based his decision on the criteria set out in the public order legislation, in order to preserve public safety, only after all efforts to find an accommodation agreeable to both the Garvaghy Road Residents Coalition and the Orange Order had failed.

Mr. Corbyn: To ask the Secretary of State for Northern Ireland what decision her Department has taken with regard to the routing of Orange marches pending at *(a)* Bellaghy, *(b)* the Lower Ormeau Road and *(c)* Derry City. [7481]

Mr. Ingram *[holding answer 10 July 1997]:* As my hon. Friend will be aware the Orange Order decided not to parade along the lower part of the Ormeau Road on the 12 July, and to switch their planned march from Derry to Limavady. The Orange Order in Bellaghy decided to shorten their morning parade and not to parade, as provisionally planned, through the village in the evening. Because of these most welcome and significant decisions

by the Orange Order my right hon. Friend the Secretary of State was not required to make any decisions on the parades in question.

Plastic Bullets

Mr. Corbyn: To ask the Secretary of State for Northern Ireland how many plastic bullets were fired in Northern Ireland on *(a)* 6 and *(b)* 7 July. [7482]

Mr. Ingram *[holding answer 10 July 1997]:* Between 6 am on 6 July 1997 and 6 am on 7 July 1997, a total of 1,608 plastic baton rounds were fired by the security forces; and between 6 am on 7 July 1997 and 6 am on 8 July 1997, a total of 820 were fired.

Valuation and Lands Agency

Mr. Connarty: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Valuation and lands Agency for 1997–98. [10166]

Mr. Murphy: For 1997–98 the following key performance targets have been set for the Agency:

1. To complete 54,000 rating cases—equivalent to 33,600 work units.
2. To complete 30,000 client service cases—equivalent to 15,000 work units.
3. To have completed by 31 March 1998 an overview database of the public sector property estate in Northern Ireland.
4. To achieve a productivity for caseworking valuers of 342 work units.
5. TO achieve at least a 2.5 per cent. efficiency saving on the 1996–97 allocation in real terms.
6. To achieve a unit cost of casework no greater than the 1996–97 unit cost in real terms.
7. To achieve a standard in domestic rating valuations such that 88 per cent. of those determined on appeal are within plus or minus 10 per cent. of the initial assessment.
8. To achieve a standard in non-domestic rating valuations such that 80 per cent. of those determined on appeal are within plus or minus 10 per cent. of the initial assessment.
9. To complete 85 per cent. of domestic rating appeals within 6 months of receipt.
10. To complete 80 per cent. of non-domestic rating appeals within 6 months of receipt.
11. To complete 93 per cent. of a representative sample of client services casework within agreed time limits.

Full details are set out in the Agency's Corporate and Business Plans, copies of which have been placed in the Library of the House.

CULTURE, MEDIA AND SPORT

Tapestries

Mr. Gorrie: To ask the Secretary of State for Culture, Media and Sport if he will encourage public bodies to commission tapestries for their buildings. [7922]

Mr. Fisher: British crafts makers and artists are among the best in the world and their works can illuminate and enhance our built environment and public spaces. Tapestry is just one form of craftsmaking but can add obvious and immediate value to the experience of public buildings. I know that a splendid tapestry hangs in the office of my hon. Friend the Scottish Office Minister for Health and the Arts. A tapestry will enhance the entrance hall of the new British Library.

Tapestry is not the only medium for public art works: all of us can think of works that have impressed us, whether sculpture, ceramics, ironwork or electronic images. I consider them an excellent investment, in terms of quality of life, for those who commission and build with public money.

Chess

Mr. Flynn: To ask the Secretary of State for Culture, Media and Sport what representations he has received urging him to make chess an olympic sport; and if he will make a statement. [8551]

Mr. Banks *[holding answer 16 July 1997]:* I am not aware we have received any, but I do know how popular chess is and am pleased that my Department is able to provide support to the game in England through the British Chess Federation. I have received a number of representations from hon. Members and members of the public who are concerned that chess is not an activity recognised by the English Sports Council and the Lottery Sports Fund. I am sympathetic to the difficulties this creates, particularly in respect of providing access to additional sources of funding. The English Sports Council's recognition rules are kept under review and revised from time to time. The question of chess becoming an olympic sport is, however, a matter for the International Olympic Committee.

Employment Advertisements

Ms Perham: To ask the Secretary of State for Culture, media and Sport how often since 1992 his Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9505]

Mr. Tom Clarke: Age restrictions are not specified in employment advertisements for this department.

National Endowment for Science and the Arts

Mr. Fearn: To ask the Secretary of State for Culture, media and Sport what proportion of the planned National Endowment for Science and the Arts will be funded by national lottery money; and from which other sources funding will be sought. [9170]

Mr. Fisher: The Government has announced its intention to establish a National Endowment for Science and the Arts (NESTA) to be funded initially from the National Lottery. Our proposals for NESTA, including possible sources of funding in addition to the Lottery, will be set out in a white paper which my right hon. Friend the Secretary of State will be publishing on 21 July.

PRIME MINISTER

Minister without Portfolio

Mr. Hawkins: To ask the Prime Minister if he will list the persons who were not established civil servants on 2 May whose salaries are currently being paid by Government Departments, identifying those who

previously assisted the campaigning activity of the Labour Party under the present Minister without Portfolio; and if he will list the current salaries and positions held by each of these persons. [5421]

The Prime Minister *[holding answer 25 June 1997]:* It would be impracticable to list all persons who were not established civil servants on 2 May, whose salaries are currently being paid by Government Departments, since this would include all civil servants recruited since this date. In respect of Special Advisers, I refer the hon. Member to the replies that I gave to the hon. Members for Chichester (Mr. Tyrie) and for Worthing, West (Mr. Bottomley) on 2 June, *Official Report*, columns *97–99*. In addition, my right hon. Friend, the Chief Whip, has now appointed two Special Advisers, Mr. Tom Greatrex and Mr. Kieran Simpson and my right hon. Friend, the Secretary of State for Education and Employment, has appointed Mr. Hilary Benn. All paid Special Advisers have at some stage in their careers been employed either by the Labour Party or by individual members of a Labour Shadow Cabinet except:

Huw Roberts

Norman Warner

Damian Welfare.

As regards the current salaries of Special Advisers, I refer the hon. Member to the reply that I gave to the hon. Member for Chesham and Amersham (Mrs. Gillan) on 10 June, *Official Report*, column *390*.

Devolution

Mr. Jenkin: To ask the Prime Minister when the Devolution White Paper will be published. [8465]

The Prime Minister *[holding answer 14 July 1997]:* The White Paper relating to Welsh Devolution will be published on 22 July, and the White Paper on Scottish Devolution will be published on 24 July.

Pension Schemes (Corporate Dividends)

Mr. Peter Bottomley: To ask the Prime Minister, pursuant to his answer of 14 July, *Official Report*, column *44*, if he will make a statement on *(a)* the recommendations relating to pension fund income contained in the documents cited and *(b)* the advice taken in respect of the review of corporation tax; and what statements his Department has made relating to the measures. [9116]

The Prime Minister: Our manifesto and business manifesto made clear our intention to review the corporate tax system. The changes announced in the Budget are consistent with our manifesto objective to promote greater long-term investment. The Budget promotes greater economic stability and provides a boost to quality and long-term investment which should benefit pension funds and other investors.

In the run up to the Budget advice was provided to the Chancellor by his civil servants. He also received a large number of representations from individuals, businesses and representative bodies. The Budget measures on corporation tax were set out in the Budget statement on 2 July. The details were published in the Financial Statement and Budget Report.

Lockerbie

Mr. Dalyell: To ask the Prime Minister, pursuant to his answer of 11 July, *Official Report*, column *626*, what was the policy of the South African Government towards Libyan sanctions and Lockerbie, as set out at his meeting with President Mandela. [9018]

The Prime Minister *[holding answer 17 July 1997]:* I have nothing further to add to the reply that I gave my hon. Friend on 16 July, *Official Report*, column *388*.

Official Histories

Mr. Hutton: To ask the Prime Minister what further official histories have been commissioned. [10008]

Mr. Prime Minister: I have appointed Professor Lawrence Freedman, Head of War Studies at Kings College, London as an official historian with effect from 1 July 1997 to write the official history of the Falklands Campaign.

HOME DEPARTMENT

Domestic Workers

Mr. Stunell: To ask the Secretary of State for the Home Department how many overseas domestic workers have been admitted to the United Kingdom in each year since the 1979 Immigration Rules concession came into force; and if he will make a statement. [8525]

Mr. Mike O'Brien: Comprehensive information on domestic workers admitted to the United Kingdom is not available. Information is available on domestic workers granted entry clearance in 1995 by the 21 posts in the Middle East and Far East which are likely to have dealt with the vast majority of applications by domestic workers. Some 14,000 entry clearances were issued by those posts to domestic workers, the great majority to servants accompanying their employers on a visit to the United Kingdom. I regret that corresponding information for other years is not available.

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for the Home Department what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8292]

Mr. Straw *[holding answer 14 July 1997]:* All Departments are reallocating spending within their Departmental ceilings as part of the Comprehensive Spending Review.

Mr. Bruce: To ask the Secretary of State for the Home Department if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and *(2)* 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8291]

Mr. Straw *[holding answer 14 July 1997]:* Following the recent Budget, my Department's spending plans within the Control Total in real terms using 1995–96 prices are *(a)* £6,517 million in 1997–98 and *(b)* £6,269 million in 1998–99.

The corresponding figures following the November 1996 Budget, based on the GDP deflator contained in that Budget, were (1) £6,484 million in 1997–98 and (2) £6,385 million in 1998–99.

In comparing these figures the following points should be noted. The Home Office Annual Report 1997 (Cm 3608), published in March this year, announced a cash increase of £110 million in Home Office spending plans for 1997–98 compared with those set out in the November 1996 Budget. That increase reflected the inclusion of new provision for firearms compensation and related costs. Since then, a change in the way that certain receipts are handled has resulted in a cash decrease, incorporated in the recent Budget, of around £8 million on previous Home Office spending plans for each of the years 1997–98 and 1998–99. Because of these changes, the real terms figures shown at *(a)* and *(b)* are based on different underlying cash totals to those at (1) and (2).

Animal Experiments

Mr. Hancock: To ask the Secretary of State for the Home Department what criteria govern the choice of the veterinary surgeon and the person responsible for day-to-day care of laboratory animals, in connection with premises registered to perform animal experiments under the Animals (Scientific Procedures) Act 1986. [8678]

Mr. George Howarth: The named persons responsible for day-to-day care of animals and the named veterinary surgeons are extremely important to the operation of the Animals (Scientific Procedures) Act 1986. The criteria for their selection are derived from their roles and responsibilities which are detailed in sections 2.9 to 2.15 of the "Guidance on the Operation of the Animals (Scientific Procedures) Act 1986".

Named veterinary surgeons must also be members of the Royal College of Veterinary Surgeons. The College has published a Code of Practice for named veterinary surgeons and, in 1995, the Home Office introduced mandatory training to ensure that new named veterinary surgeons are made fully aware of their duties under the Act.

The Institute of Animal Technology has published guidance notes for named persons responsible for the day-to-day care of animals.

Mr. Hancock: To ask the Secretary of State for the Home Department what reports have been published by the Animal Procedures Committee since 1986; and when it plans to publish its next report. [8685]

Mr. Howarth: Section 20(5) of the Animals (Scientific Procedures) Act 1986 requires the Animal Procedures Committee to publish a report on its activities each year. Reports for every year between 1987 and 1995 have been published and the report for 1996 will be published in September. It will include a section on the Committee's review of the operation of the Animals (Scientific Procedures) Act 1986.

In addition to its annual reports, the Committee published a report on regulatory toxicity in 1994.

Mr. Hancock: To ask the Secretary of State for the Home Department what account is taken of the therapeutic necessity of new products in the procedure for issuing licences for experiments on animals under the Animals (Scientific Procedures) Act 1986. [8667]

Mr. Howarth: Section 5(4) of the Animals (Scientific Procedures) Act 1986 requires that, when determining whether and on what terms to grant a licence, the likely adverse effects on the animals concerned must be weighed against the benefits likely to accrue. The need to find better medical and veterinary treatments constitutes one of the potential benefits which can be considered when this assessment is made.

Work would be licensed only if there was no alternative means of meeting the objective; if the programme of work is likely to be successful; and the protocols have been refined as far as is practical to minimise the number of animals used and the suffering caused.

Mr. Hancock: To ask the Secretary of State for the Home Department how many laboratories the Animal Procedures Committee has visited since 1986; and on what dates. [8683]

Mr. Howarth: Historical information is not available but in the last year Members representing the Committee have visited three laboratories. These visits were made on 20 November 1996, 5 March 1997 and 5 June 1997 and will be discussed in the Committee's annual reports for the relevant years.

Two more visits are planned for this year, one to an establishment designated as a breeder and supplier of laboratory animals and one to another laboratory.

Mr. Hancock: To ask the Secretary of State for the Home Department how many inspectors are currently employed under the Animals (Scientific Procedures) Act 1986. [8666]

Mr. Howarth: There are 17 inspectors and one vacancy which is expected to be filled in September. We are currently considering ways of strengthening the Inspectorate without adding to the demands on the public purse.

Information on the complement of the Inspectorate at 31 December each year is published in the "Statistics of Scientific Procedures on Living Animals, Great Britain".

Mr. Hancock: To ask the Secretary of State for the Home Department what progress the Animal Procedures Committee has made in assessing the use of animals in painful psychological and behavioural experiments. [8682]

Mr. Howarth: The Committee and its predecessor, the Advisory Committee on Animal Experiments, considered psychological and behavioural research in the 1980s. The outcome of these considerations was published in the 1989 annual report of the Animal Procedures Committee. No further consideration has been given specifically to this area since then.

Mr. Hancock: To ask the Secretary of State for the Home Department what organisations the Animal Procedures Committee has consulted since 1986; and on what dates. [8684]

Mr. Howarth: A part of its review of the operation of the Animals (Scientific Procedures) Act 1986, the Animal Procedures Committee wrote in March 1996 to all designated establishments[1], to a number of animal welfare groups and to other organisations with an interest in the operation of the Act. One hundred and fifty-seven responses were received.

The Committee holds bi-annual meetings with the Farm Animal Welfare Council.

Less recent information about organisations the Committee has consulted can be acquired only at disproportionate cost.

[1]Establishments certified under section 6 of the 1986 Act as places where scientific procedures may be carried out, or as breeders or suppliers of laboratory animals.

Perjury

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department, pursuant to his answer of 2 July, *Official Report*, column *470*, on perjury convictions, what was the average length of time between commitment of the offence and the charge being brought in the last year for which figures are available. [8689]

Mr. Michael: The information requested is not available centrally. Information on time intervals for proceedings completed in magistrates' courts is collected by the Lord Chancellor's Department in selected sample weeks in February, June and October of each year. This includes the period from offence to charge or summons. Information for specific offences is not collected, as the sample size is not sufficiently large. In 1996, the average period from offence to charge or summons was 45 days for indictable offences (including triable either way offences).

Probation Service

Mr. Beith: To ask the Secretary of State for the Home Department when the serious incident reports procedure was set up for the Probation Service in England and Wales. [8900]

Joyce Quin: May 1995.

Mr. Beith: To ask the Secretary of State for the Home Department how many serious incident reports from each probation service in England and Wales have involved assaults against staff since May 1995. [8902]

Joyce Quin: One.

Mr. Beith: To ask the Secretary of State for the Home Department for what reason no press notice accompanied Probation Circular 00/97. [8903]

Joyce Quin: Formal press notices are not issued on each occasion that circulars are issued but on this occasion, as on others, guidance was given to the press to put the circular in context.

Mr. Beith: To ask the Secretary of State for the Home Department when Ministers assessed the contents of the Probation Service circular on serious incidents reports issued on 30 June. [8905]

Joyce Quin: The material in the circular was submitted to us shortly before issue.

Murders

Mr. Beith: To ask the Secretary of State for the Home Department how many of the murders reported as serious incidents by each probation service in England and Wales during 1996 were classed as *(a)* domestic, *(b)* in the furtherance of theft or gain, *(c)* suspect described as mentally disordered and *(d)* against a child under the age of one. [8904]

Joyce Quin: In the period 16 November 1995 to 17 December 1996, at least 27 of the offences reported involved a victim who was a relative or a partner; and 27 of those charged with serious offences were described as mentally disordered to some extent. The other information sought is not available from the reports submitted by probation services. More detailed reporting requirements now apply.

Firearms

Mr. Flynn: To ask the Secretary of State for the Home Department how many murders and acts of manslaughter have involved the use of illegal and unlicensed firearms in each of the last five years. [8809]

Mr. Michael *[holding answer 16 July 1997]:* In the past, information on whether firearms used in the crime are legally held or not has not been collected centrally in England and Wales as a matter of routine. However, a special exercise was conducted last year to obtain further information on homicides involving firearms. This covered the three years 1992 to 1994, and out of a total of 196 homicides involving the use of a firearm, information was available in 129 cases to show the weapon was illegally held.

These figures refer to offences initially recorded as homicide. Information was not collected on whether the final classification was murder or manslaughter, which is not available until a court decision is reached. Nor do all offenders come to court, or the offence remains undetected.

In 1995, the last year for which figures are available, 398 burglaries and thefts of handguns were reported, and 3,517 of other firearms. This demonstrates that legally held firearms can become a source for illegal weapons and used in serious crime.

Task Force on Youth Justice

Mr. Öpik: To ask the Secretary of State for the Home Department how many members of the Task Force on Youth Justice have previous experience of youth and community work; and if he will make a statement. [9136]

Mr. Michael: A number of the members of the Task Force on Youth Justice have direct experience of working with young people within the youth justice system as distinct from within the youth service. There are no youth workers among them. The role of the Task Force, and the names and professions of those appointed to it, were set out in reply to a Question from my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) on 17 June, *Official Report*, columns *99–100*.

Homosexuality

Mr. Ashton: To ask the Secretary of State for the Home Department which European Union countries have

higher age limits for mutual consent for homosexual acts in situations where the older person is in a position of authority, influence or trust. [9161]

Mr. Michael: No European Union country makes specific provision for a higher age of consent for homosexual acts involving persons in positions of authority, influence or trust. Although it is difficult to make direct comparisons between countries with different legal systems, the following countries have special provision to deal with circumstances where one of the participants is older than the other:

Austria

The age of consent for sexual acts is 14. However, it is illegal for a male over 19 to commit homosexual acts with a male between 14 and 18.

Belgium

The age of consent for sexual acts is 16. Heavier penalties are available for those who abuse a position of authority.

Italy

The age of consent for sexual acts is 14. However, if one of the participants is an older family member or guardian, the age of consent is raised to 16.

Netherlands

The age of consent for sexual acts is 16, but a person between the ages of 12 and 16 who commits a sexual act with another person between those ages, cannot be prosecuted unless there is a complaint from the other participant, a parent or guardian. A person over 16 who commits a sexual act with a person under 16 is liable to prosecution regardless of whether a complaint has been made.

Portugal

The age of consent for sexual acts is 16. However, it is illegal for a person of 18 or over to commit sexual acts with a person under 18.

Spain

There is no statutory age of consent. In general, consensual sexual relations are not penalised from the age of 12, although a person aged over 16 who has sex with a person between 12 and 16 may be liable to prosecution.

Mr. Ashton: To ask the Secretary of State for the Home Department if he proposes to introduce changes in the age of mutual consent for homosexual acts in the next Criminal Justice Bill. [9160]

Mr. Michael: The Crime and Disorder Bill is intended to deliver our manifesto commitments on tackling youth crime, disorder and sentencing. The Government have long held the view that setting the age of consent for consensual homosexual acts is a matter for Parliament to decide, and that it should be the subject of a free vote at a suitable opportunity. It seems unlikely that the scope of the Crime and Disorder Bill will be wide enough to provide that opportunity.

Age of Consent

Mr. Ashton: To ask the Secretary of State for the Home Department if he will list the dates of legislation currently in force relating to the age of mutual consent in respect of sexual acts between *(a)* males and females and *(b)* males and males. [9157]

Mr. Michael: The information requested is as follows:

(a) Males and Females

Sexual Offences Act 1956 section 6. This makes it an offence for a man to have unlawful sexual intercourse with a girl under the age of 16. A statutory age of consent at 16 was first enacted in 1885.

(b) Males and Males

Before 1967, all homosexual acts were illegal. The current controls are set out in the Sexual Offences Act 1956: section 12 and the Sexual Offences Act 1967, section 1 (both as amended by the Criminal Justice and Public Order Act 1994 section 143). The age of consent for consensual homosexual acts in private was set at 21 in 1967 and reduced to 18 in 1994.

Sexual Offences

Mr. Ashton: To ask the Secretary of State for the Home Department how many prosecutions have been instigated for sexual offences against males under the age of 18 years in each of the last 20 years; and how many of these offences were committed by older men in positions of authority, influence or trust. [9159]

Mr. Michael: Limited information, for the years 1979 to 1995, on the number of males aged 21 and over prosecuted for sexual offences involving younger men is given in the table below.

Information regarding the status of a defendant is not collected centrally. Also, offence information is not available to the detail required for the years prior to 1979.

Number of males aged 21 and over prosecuted for certain sexual offences by type of offence 1979–1995

England and Wales

Offence description	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Sexual Offences Act 1956 Section 12 as amended by the Sexual Offences Act Section 3(1)							
Buggery with a boy under 16 or with a woman or an animal	119	178	167	119	167	142	155
Buggery by a man with a male of the age of 16 or over without consent	20	25	12	14	11	15	19
Buggery by a man with another male under the age of 21 with consent	22	20	17	12	19	12	19
Attempt to commit buggery with a boy under 16 or with a woman or an animal	15	6	8	5	8	11	13
Attempt by a man to commit buggery with a male of the age of 16 or over without consent	—	2	3	3	—	1	1
Attempt by a man to commit buggery with another male under the age of 21 with consent	4	1	2	—	1	—	—
Sexual Offences Act 1956 Section 12 as amended by the Criminal Justice and Public Order Act 1994 Section 143							
Buggery by a male of a male under 16	[1]—	[1]—	[1]—	[1]—	[1]—	[1]—	[1]—
Buggery by a male with a male aged 16 or 17	[1]—	[1]—	[1]—	[1]—	[1]—	[1]—	[1]—
Sexual Offences Act 1956 Section 15							
Indecent assault on male under 16	449	431	429	463	450	442	475

Number of males aged 21 and over prosecuted for certain sexual offences by type of offence 1979–1995

England and Wales

Offence description	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Sexual Offences Act 1956 Section 13 as amended by the Sexual Offences Act 1967 Section 3(2)							
Indecency by a man with another male under the age of 21	235	268	230	210	227	221	196
Man procuring or attempting to procure or being party to the commission by a man under 21 of an act of gross indecency with another man	31	25	39	29	33	15	106
Sexual Offences Act 1956 Section 12, Schedule [16] as amended by the Criminal Justice and Public Order Act 1964 Section 144							
Gross indecency by a male with a male aged under 18	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Male procuring or attempting to procure or being party to the commission by a male under 18 of an act of gross indecency with another male	[1]	[1]	[1]	[1]	[1]	[1]	[1]

[1] Not applicable.

Offences description	*1986*	*1987*	*1988*	*1989*	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*
Sexual Offences Act 1956 Section 12 as amended by the Sexual Offences Act Section 3(1)										
Buggery with a boy under 16 or with a woman or an animal	145	213	267	238	279	247	290	257	291	110
Buggery by a man with a male of the age of 16 or over without consent	22	13	26	21	21	26	36	33	23	3
Buggery by a man with another male under the age of 21 with consent	19	17	9	4	9	15	12	7	4	1
Attempt to commit buggery with a boy under 16 or with a woman or an animal	18	15	18	26	20	20	22	9	17	6
Attempt by a man to commit buggery with a male of the age of 16 or over without consent	3	3	3	2	3	—	2	2	1	—
Attempt by a man to commit buggery with another male under the age of 21 with consent	1	1	5	2	—	2	—	1	—	—
Sexual Offences Act 1956 Section 12 as amended by the Criminal Justice and Public Order Act 1994 Section 143										
Buggery by a male of a male under 16	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	41
Buggery by a male with a male aged 16 or 17	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	1
Sexual offences Act 1956 Section 15										
Indecent assault on male under 16	393	446	461	450	470	449	371	358	361	334
Sexual offences Act 1956 Section 13 as amended by the Sexual Offences Act 1967 Section 3(2)										
Indecency by a man with another male under the age of 21	227	254	269	384	420	182	191	88	71	47
Man procuring or attempting to procure or being party to the commission by a man under 21 of an act of gross indecency with another man	37	40	61	89	71	19	14	11	13	8
Sexual Offences Act 1956 Section 12 Schedule 2(16) as amended by the Criminal Justice and Public Order Act 1964 Section 144										
Gross indecency by a male with a male aged under 18	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	10
Male procuring or attempting to procure or being party to the commission by a male under 18 of an act of gross indecency with another male	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	1

[1] Not applicable.

Proportional Voting

Mr. McWalter: To ask the Secretary of State for the Home Department what plans he has to introduce a proportional voting system for the 1999 European election. [10066]

Mr. Straw: Legislation will be brought forward this session to enable the 1999 European elections to be conducted by a regional list electoral system.

SCOTLAND

Departmental Expenditure

Mr. Gorrie: To ask the Secretary of State for Scotland what his Department's outturn expenditure was in 1996–97 under the headings Health, Other Central Government Services, Local Government Capital, Local Government Current, Total for Local Government, Miscellaneous and Overall Total; and what the planned overall change in expenditure is in *(a)* money and *(b)* percentage terms under each of these headings between 1996–97 and 1999–2000. [8129]

Mr. Dewar: The information is not available in the form requested. However, The Public Expenditure Outturn White Paper (Cm 3696) published on 3 July gives the provisional 1996–97 outturn figures on the Control Total and includes information on individual Votes, cash limits, running costs limits and EFLs for nationalised industries, other public corporations and trading funds.

The Appropriation Accounts, to be published later this year, will contain a further analysis of voted expenditure.

Rat Infestations

Ms Atherton: To ask the Secretary of State for Scotland if he will list *(a)* in total and *(b)* by local authority the number of rat infestations recorded in each year since 1990. [8446]

Mr. Chisholm: The available information, drawn from reports prepared annually by the Royal Environmental Health Institute of Scotland on a variety of environmental health matters, is set out below.

The total number of rat infestations dealt with by local authorities in Scotland is reported as follows:

	Number of infestations
1990–91[1]	12,714
1991–92	11,312
1992–93	10,997
1993–94[2]	Not collected
1994–95[2]	Not collected
1995–96[2]	Not collected
1996–97	Available December 1997

A breakdown by individual authority is not available.

[1] Change from calendar year (January to December) to financial year (April to March). The figure relates to the period January 1990 to March 1991.

[2] Information not collected due to local government reorganisation.

A1 (Lorries)

Mr. Home Robertson: To ask the Secretary of State for Scotland what are the average and maximum number of weekly lorry movements on the A1 road in East Lothian expected to be generated by the use of the new landfill facility at Oxwell Mains for rubbish from Edinburgh. [7698]

Mr. Chisholm *[pursuant to his reply, 14 July 1997, c. 65]:* No lorry movements to transport land waste by road from Edinburgh will be permitted until such time as road improvements being carried out as part of the A1 Oswald Dean to Innerwick dualling scheme are completed later this year. Thereafter an average of 400 lorry movements per week are expected.

Stabbing Offences

Mr. Galloway: To ask the Secretary of State for Scotland how many people have been sentenced to *(a)* community service orders and *(b)* custody in Scotland after having been convicted of stabbing offences involving (i) severe injury, (ii) permanent disfigurement and (iii) disfigurement and danger to life in the current year and in each of the previous four years. [8778]

Mr. McLeish: Information collected centrally on assaults resulting in conviction does not indicate whether these involved stabbing. The following table sets out the available information for 1995 (the most recent year) and each of the previous four years.

Persons convicted of selected serious assaults receiving (a) a community service order or (b) custody, Scotland 1991–1995

Main offence	*1991*		*1992*		*1993*		*1994*		*1995*	
	(a)	*(b)*	*(a)*	*(b)*	*(a)*	*(b)*	*(a)*	*(b)*	*(a)*	*(b)*
Assault to:										
(i) severe injury	66	191	92	218	85	249	93	209	84	203
(ii) permanent disfigurement	33	91	32	115	34	123	29	128	32	132
(iii) disfigurement and danger of life	1	14	1	15	3	22	1	24	1	14

Offences are categorised under the most serious offence; for example a person convicted of "Assault to severe injury and permanent disfigurement" will be included in category (ii) but not in category (i).

Devolution

Mr. Dalyell: To ask the Secretary of State for Scotland if he will make a statement on the proposals for devolving some social security matters to a Scottish Assembly. [9156]

Mr. McLeish *[holding answer 17 July 1997]:* The Government's proposals, including those for social security, will be set out in the White Paper to be published on 24 July.

Marine Cage Fish Farming

Mrs. Ray Michie: To ask the Secretary of State for Scotland what is the current financial budget of the Scottish Environment Protection Agency for the regulation of marine cage fish farming; and what is the expected budget for the following financial year. [8214]

Mr. Chisholm: The Scottish Environment Protection Agency does not have specific budgets for individual regulatory functions.

DEFENCE

Baton Rounds

Mr. Sedgemore: To ask the Secretary of State for Defence how many baton rounds were issued in 1994; how long they would have lasted at 1993 rates of usage; and what were the reasons for issuing this number. [8531]

Dr. Reid *[holding answer 14 July 1997]:* Our records show that, in 1994, 33,000 baton rounds were issued to the Army in Northern Ireland and 51,000 were issued to the RUC.

The numbers of baton rounds held by the Army must be sufficient to cover both training and operational requirements, as well as the maintenance of an adequate reserve. It is not, however, possible to say how the rounds issued in 1994 would have lasted at 1993 rates of usage because records of training usage for that year are no longer available.

Details of RUC usage and operational requirements are matters for my right hon. Friend the Secretary of State for Northern Ireland.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Defence how many and what percentage of civil servants in each of grades 1 to 5 in his Department are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9570]

Mr. Spellar: The number and percentage of permanent civilian staff in my Department and its Agencies in each of the grades 1 to 5 who have indicated that they are of *(a)* Asian origin and *(b)* Afro-Caribbean origin in the MOD's ethnic origin survey are shown below:

Grade level	*Asian origin*	*Afro-Caribbean origin*	*Percentage of staff in grade*
Grades 1–4	Nil	Nil	Nil
Grade 5	6	Nil	3.2

Reserve Forces

Mr. Brazier: To ask the Secretary of State for Defence what expenditure was on the reserve forces in *(a)* 1996–97, *(b)* 1997–98 and *(c)* is projected for 1998–99 in the categories (i) man training days, (ii) ammunition, fuel and other training expenditure,

(iii) equipment, purchase and spares, (iv) full-time military personnel costs, (v) NRPS/PSAO personnel costs, (vi) civilian personnel costs and (vii) buildings and building maintenance; and what was the expenditure in man training days by district command in the case of the TA. [8827]

Dr. Reid: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Mr. Brazier: To ask the Secretary of State for Defence what mechanism exists for checking whether money allocated to the reserve forces by Ministers is spent on the reserves by districts and their formation councils. [8826]

Dr. Reid: Responsibility for expenditure on all defence operating costs, including those related to the Reserve Forces, is delegated to top level budget holders to enable them to achieve the objectives required of them. They in turn delegate funds and responsibility to levels at which the priorities for expenditure can best be assessed. A fundamental principle is that operational and financial responsibility should be linked, which means that commanders must have flexibility over how they spend money. They are best placed to judge where priority should be given, so that they meet the objectives they have been set. Whether they have achieved their objectives is assessed regularly by means of formal performance reviews.

Manpower

Sir Teddy Taylor: To ask the Secretary of State for Defence what is the present manpower strength of Her Majesty's *(a)* Royal Air Force, *(b)* Navy and *(c)* Army; and what percentage of full manning these figures represent. [9202]

Dr. Reid: The trained strengths of the regular Armed Forces as at 1 June 1997, the latest figures available, were as follows;

	Number
(a) Royal Air Force	53,769
(b) Naval Service (RN and RM)[1]	41,368
(c) Army[1,2]	101,372

[1] Excludes Locally Entered Personnel.
[2] Includes trained Gurkha strength but excludes Royal Irish Regiment (Home Service).

These figures represent *(a)* 95 per cent.; *(b)* 97 per cent.; and *(c)* 95 per cent. of the trained requirement.

Military Services (Loan and Hire)

Sir Teddy Taylor: To ask the Secretary of State for Defence what guidelines apply to the loaning or the hiring of military personnel or equipment to the private sector; and if he will make a statement. [9203]

Dr. Reid: The use of military personnel or equipment in aid of the private sector is not, as a general rule, encouraged as Defence funds are not granted for such a purpose. Where the Ministry of Defence makes goods or services available to commercial organisations, they are normally charged for at a rate which covers the full costs. This reflects Government Accounting principles. One example of assistance which might be provided is the provision of military resources in a civil emergency to help return a community to normality, which might include the restoration of commercial viability.

My Department also recognises that there may be value and benefits to the country from military participation in commercial projects from time to time. Any request would be considered on its merits and would not be accepted at the expense of a unit's operational or training duties.

Infantry Battalions

Sir Teddy Taylor: To ask the Secretary of State for Defence what are the manning levels for infantry battalions; and how many battalions are at full strength disregarding personnel posted away from their unit but included in the strength figures. [9201]

Dr. Reid: The strength of the Army's Infantry Battalions at 1 June 1997 is shown at Table 1. The figures include only those personnel serving with their parent units. There are at present eight Battalions either at or above full strength as shown at Table 2.

Table 1: Infantry

	Strength	*Surplus deficit against establishment*
Household Division		
1st Battalion, Grenadier Guards	433	−125
N Company, Grenadier Guards	98	−2
1st Battalion, Coldstream Guards	580	−48
7 Company, Coldstream Guards	113	+13
1st Battalion Scots Guards	440	−83
F Company, Scots Guards	84	−16
1st Battalion, Irish Guards	447	−76
1st Battalion, Welsh Guards	497	−25
Total	2,692	−362
Scottish Division		
1st Battalion, Royal Scots	408	−174
1st Battalion, Royal Highland Fusiliers	519	−107
1st Battalion, King's Own Scottish Borderers	441	−79
1st Battalion, Black Watch	453	−70
1st Battalion, Highlanders	507	−76
1st Battalion, Argyll and Sutherland Highlanders	471	−87
Total	2,799	−593
Queens Division		
1st Battalion, The Princess of Wales's Royal Regiment	413	−126
2nd Battalion, The Princess of Wales's Royal Regiment	518	−37
1st Battalion, The Royal Regiment of Fusiliers	504	−51
2nd Battalion, The Royal Regiment of Fusiliers	607	−18
1st Battalion, The Royal Anglian	531	+12
2nd Battalion, The Royal Anglian	570	+9
Total	3,143	−211
Kings Division		
1st Battalion, The King's Own Royal Border Regiment	533	−92
1st Battalion, The King's Regiment	543	+4
1st Battalion, The Prince of Wales's Own Regiment	537	+18

Table 1: Infantry

	Strength	*Surplus/deficit against establishment*
1st Battalion, The Green Howards	611	−14
1st Battalion, The Queen's Lancashire Regiment	489	−90
1st Battalion, The Duke of Wellington's Regiment	573	+54
Total	3,286	−120
Prince of Wales Division		
1st Battalion, The Devonshire and Dorset Regiment	577	−48
1st Battalion, The Cheshire Regiment	486	−69
1st Battalion, The Royal Welch Fusiliers	507	−12
1st Battalion, The Royal Regiment of Wales	477	−45
1st Battalion, The Royal Gloucester Berkshire and Wiltshire Regiment	523	−58
1st Battalion, The Worcestershire and Sherwood Foresters Regiment	634	+9
1st Battalion, Staffordshire Regiment	528	+9
Total	3,732	−214
Light Division		
1st Battalion, The Light Infantry	466	−73
2nd Battalion, The Light Infantry	524	−31
1st Battalion, The Royal Green jackets	489	−90
2nd Battalion, The Royal Green Jackets	567	−58
Totals	2,046	−252
The Parachute Regiment		
1st Battalion, The Parachute Regiment	506	−38
2nd Battalion, The Parachute Regiment	463	−81
3rd Battalion, The Parachute Regiment	437	−82
Total	1,406	−201
Royal Irish Regiment		
1st Battalion, The Royal Irish Regiment	436	−145
Total	436	−145
The Brigade of Gurkhas		
1st Battalion, The Royal Gurkha Rifles	632	−11
2nd Battalion, The Royal Gurkha Rifles	749	+10
Total	1,381	−1

The figures shown above exclude the re-inforcement of 1st Battalion Royal Scots, 1st Battalion The Princess of Wales's Royal Regiment and 2nd Battalion The Parachute Regiment by the Gurkha Re-inforcement Companies totalling 300.

Table 2

1st Battalion The Royal Anglian

2nd Battalion The Royal Anglian

1st Battalion The King's Regiment

1st Battalion The Prince of Wales's Own Regiment

1st Battalion The Duke of Wellington's Regiment

1st Battalion The Worcestershire and Sherwood Foresters Regiment

1st Battalion The Staffordshire Regiment

2nd Battalion The Royal Gurkha Rifles.

Royal Hospital, Haslar

Mr. Viggers: To ask the Secretary of State for Defence what plans he has to change the laundry arrangements at the Royal Hospital, Haslar; and if he will make a statement. [3534]

Dr. Reid: This is a matter for the Chief Executive of the Defence Secondary Care Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from Ron Smith to Mr. Peter Viggers, dated 18 July 1997:

Royal Hospital Haslar: Laundry Arrangements

I am replying to your Question to the Secretary of State for Defence about the laundry arrangements at the Royal Hospital Haslar as this matter falls within my area of responsibility as Chief Executive of the Defence Secondary Care Agency. I apologise for the delay in responding.

As you will recall from my letter of 20 March 1997 we have been conducting a very thorough appraisal to identify and evaluate the options for providing both laundry and sterile supplies services into the next millennium. The options considered included contractorisation, PFI, and rebuilding one or both facilities and continuing to run them as integral parts of the Hospital. The conclusion reached was that, in the case of the laundry, switching to a commercial laundry service would allow quality levels to be maintained whilst saving an estimated £60,000 a year in running costs alone, with further substantial economies accruing from avoiding the need to invest in capital infrastructure and equipment. The position on the sterile supplies department, the expansion fo which is critical to the wider development of the Hospital itself, is rather different. The capacity of the local NHS market to absorb extra contract work from Haslar is extremely limited and, given the need for a responsive service that can deal with fluctuating demand from the operating theatres, the balance of advantage lies in providing a new in-house sterile supplies department, although we are not yet finally committed to that course of action.

Some 60 civilian staff work in the two departments and, in accordance with Ministry of Defence policy, their views have been sought through the Trades Unions. Whilst the proposal to rebuild the sterile supplies department has been welcomed, considerable concern has been expressed about the contractorisation of the laundry service and a counter proposal has been made to retain the current in-house facility. I have considered the arguments very carefully, and have met with representatives of the Transport and General Workers Union (T&GWU) to discuss their concerns. The union response centres on two main areas: quality and cost. On the subject of quality, the unions have suggested that a commercial laundry service could not provide the standard of service that the Hospital requires. However, this does not accord with experience in the National Health Service where a significant proportion of hospital laundry is now done by private companies and no compelling reasons have been put forward to explain why such an arrangement would not work at Haslar. On the financial front, I have to say that accepting the union line would prevent me from delivering substantial savings that are on offer and, thereby, providing the taxpayer with the best possible value for money.

At present the T&GWU and I have agreed to differ on these points and, since the unions have registered formally their disagreement with Agency plans, the issues must now be the subject of further discussion between management and unions through the Department's Whitley machinery. Until this has been done and the disagreement resolved one way or the other, MOD policy obliges me to put into abeyance all action to implement the proposals.

I realise how much of a disappointment our plans might be for laundry staff who have served the Royal Hospital loyally over the years. I do hope, however, that they will understand that my Agency

must recognise and respond to economic pressures if we are to maintain the high standard of clinical service to which we are committed whilst meeting our fiscal duty to the taxpayer.

I hope this is helpful.

Historic Buildings, Greenwich

Mr. Viggers: To ask the Secretary of State for Defence if he will make a statement on the current state of the historic buildings at Greenwich in the ownership of the Ministry of Defence. [7818]

Dr. Reid: My right hon. Friend the Secretary of State for Defence holds the freehold of the historic buildings of the Royal Naval College at Greenwich, together with the Dreadnought Seamen's Hospital and the Devonport Nurses' Home, on behalf of the Crown for the benefit of Greenwich Hospital. Of these, the Royal Naval College, which is occupied by the Ministry of Defence is, with the exception of King William Building and the external areas, in a fair state of repair. The Dreadnought Seamen's Hospital and the Devonport Nurses' Home (neither of which is leased to my Department) are unoccupied and are in a less satisfactory condition. I understand that Greenwich Hospital has been encouraging the tenants, which have full responsibility for repairs and maintenance, to take measures to prevent further deterioration.

AGRICULTURE, FISHERIES AND FOOD

Organic Farming

Ms Corston: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact of organic farmland on farmland bird populations. [7478]

Mr. Morley: A MAFF funded research project on this subject, undertaken by the British Trust for Ornithology and the Institute of Arable Crops Research, was completed in March 1995. The report provided some evidence that organic farming can lead to an increase in the number and diversity of bird species compared to conventional farms. We are aware that organisations such as the British Trust for Ornithology consider that more research into this issue is justified. We will consider any proposals for future research from such organisations alongside other research priorities.

The Department also funds a wider-ranging programme on the effects of agriculture on the environment including research on the impact of agricultural intensification on farmland birds. These projects are contributing to a better understanding of the possible causes of difference found in bird populations on organic and conventional farm-land.

Ms Corston: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the research into organic farming methods conducted at his Ministry's plant breeding stations; and what proportion of his Department's research budget for organic farming is constituted by funding allocated to these establishments. [7474]

Mr. Morley: The Ministry has no plant breeding stations. However, we are currently funding some research on plant varieties suitable for organic farming. This is being undertaken by the National Institute of Agricultural Botany (NIAB). This work will cost approximately £29,000 IN 1997–98, and it represents about 3 per cent. of the total annual budget available for organic research and development.

Live Animal Transport

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what representations he has made to EU partners to persuade them that long distance live animal transport should end. [8655]

Mr. Morley: We shall take every opportunity in contacts with our EU partners to press our view that a trade in meat is preferable to the long distance transport of food animals. In support of this we shall now be pressing our partners to implement and enforce the new EU rules on journey times which we ourselves have introduced as a priority, and are seeking improvements in these rules in ongoing EU discussions.

Cattle Slaughtering

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food (1) what assessment he has made of the provision of slaughter facilities for OTMS cattle in the county of Shropshire; [9457]

(2) if he will list the abattoirs available for the slaughter of OTMS cattle emanating from Shropshire farms. [9453]

Mr. Rooker: Contracts for the slaughter of OTMS cattle have been awarded to 26 abattoirs in Great Britain. None are in Shropshire, but seven are in counties neighbouring Shropshire and are available to producers in Shropshire. These include:

North West Meats

F. Redfern

Bradeley Meats

R. B. Elliot

Nottingham Processing Co.

ABP Nuneaton

The Baker Group.

This does not preclude cattle from the county going further afield if appropriate. As such, I am satisfied the producers in Shropshire are well served under the new arrangements.

Vitamin B6

Mrs. Gillan: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his proposals to limit the availability of vitamin B6 to 10mg per tablet or capsule. [9425]

Mr. Rooker: I have received advice recently from the Food Advisory Committee that the level of vitamin B6 in dietary supplements should not exceed 10 milligrams per daily dose, and that such supplements should carry a warning label about the harmful effects of high intakes. I have accepted this advice and have instructed officials to draw up legislation under the Food Safety Act 1990 to control dietary supplements containing vitamin B6.

Debt Payment

Mrs. May: To ask the Minister of Agriculture, Fisheries and Food what his Department's policy is on the timely payment of debt; and what its record has been on debt payment in the current financial year. [9323]

Mr. Morley: All Departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could only be provided at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the Autumn.

FOREIGN AND COMMONWEALTH AFFAIRS

Departmental Budgets

Mr. Malcolm Bruce: To ask the Secretary of State for Foreign and Commonwealth Affairs if, following the recent Budget, he will give his estimate of the total real level of his Department's budget, in 1995–96 prices, in *(a)* 1997 *(b)* 1998–99; if he will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if he will make a statement. [8316]

Mr. Fatchett *[holding answer 14 July 1997]:* The figures requested for this Department's spending plans within the Control Total in £000,000 and expressed at 1995–96 prices are as follows:

(a) 1,021, (b) 990, (1) 1,036, (2) 1,013.

Mr. Bruce: To ask the Secretary of State for Foreign and Commonwealth Affairs what new plans he has to introduce cuts and savings in his Department as a result of the effect on his Department's budgets for 1997–98 and 1998–99 of the upward revisions to the GDP deflators in the Budget on 2 July; and if he will make a statement. [8317]

Mr. Fatchett *[holding answer 14 July 1997]:* All Departments are reallocating spending within their departmental ceilings as part of the Comprehensive Spending Review.

Mr. Danny Woodier

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the statement of 9 July, *Official Report*, columns 1044–52, what was the purpose of the visit of Mr. Danny Woodier to Caracas in January 1997. [8897]

Mr. Fatchett: Mr Woodier, Consular Protection Desk Officer for South America, visited the Caracus area in March 1997 as part of a familiarisation visit to South America. The purpose of his visit was to gain first hand knowledge and experience of his area of responsibility.

Quota Hopping

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) for what reasons the agreement reached on quota-hopping was not included in the Amsterdam treaty; [9080]

(2) if the recent agreement reached on quota-hopping is legally binding. [9079]

Mr. Doug Henderson: I refer the hon. Member to the statement made by my right hon. Friend the Minster for Agriculture, Fisheries and Food to the House on 18 June, *Official Report*, column 331.

Amsterdam Treaty

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Human Rights article contained in the Amsterdam treaty. [9117]

Mr. Doug Henderson: We welcome the reference to fundamental rights in Article F of the Treaty on European Union. The new article re-states the principle that acts of the Union and of the Community must respect the existing fundamental rights of EU citizens, which are an essential feature of the responsibility which states bear towards their citizens. We also welcome the new Article 6a to the Treaty of Rome permitting (but not obliging) the Council, acting unanimously, to take action at Community level to combat discrimination.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those areas where the European Court of Justice has gained jurisdiction as a result of the Amsterdam treaty. [9077]

Mr. Henderson: Because the Court has a full role in the European Community pillar, extensions of the EC Treaty provisions at Amsterdam also involve an extension in the jurisdiction of the Court. Article K.7 of the Amsterdam Treaty will also give the Court a limited role in relation to the Justice and Home Affairs pillar of the Treaty on European Union: the Court will have a preliminary rulings jurisdiction for those Member States which choose to accept it; jurisdiction to review the legality of framework decisions and decisions adopted by the Council; and jurisdiction over certain disputes between Member States and between Member States and the Commission. Under Article K.12 the Court will have jurisdiction to review the operation of the Justice and Home Affairs pillar flexibility procedure. The Court will also have jurisdiction, through Article L, over the fundamental rights implications of action of the institutions within the Justice and Home Affairs pillar insofar as it has wider jurisdiction in that pillar.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the impact of the Amsterdam treaty on the work of the European Court of Justice. [9076]

Mr. Henderson: There is likely to be some increased workload for the Court of Justice deriving from the extension of its jurisdiction under the Treaty of Amsterdam. However, the impact of the new Treaty on the Court's workload will not become clear until sometime after the Treaty comes into force.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the terms of the flexibility clause agreed at Amsterdam; and if it will be enacted by qualified majority procedure. [9092]

Mr. Henderson: The draft Treaty of Amsterdam (CONF 4001/97) has been placed in the Libraries of the House. The decision to use the flexibility provisions will be taken by Qualified Majority Voting, but with an "emergency brake" clause, which states that a Member State may "for important and stated reasons of national policy" prevent a vote being taken by QMV; the decision may then be referred to the European Council, for decision by unanimity.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs what additional powers will be granted to the European Parliament by the Amsterdam treaty. [9124]

Mr. Henderson: A full list of the powers of assent and co-decision granted to the European Parliament can be found on pages 115 to 117 of the draft Treaty of Amsterdam (CONF 4001/97), copies of which have been placed in the Libraries of the House. I also refer the hon. Member to the answer I gave to the hon. Member for Tonbridge and Malling (Sir J. Stanley) on 30 June, *Official Report*, column *38*. New powers for the European Parliament in the Third Pillar are dealt with in Article K.11 of the draft Treaty; those in the new free movement title of the European Communities Treaty (TEC) in Article G. In addition, the European Parliament will exercise certain powers in the application.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs in what areas the Amsterdam treaty extends co-decision making; and if he will make a sttaement. [9091]

Mr. Henderson: I refer the hon. Member to the reply I gave to the hon. Member for Tonbridge and Malling (Sir J. Stanley) on 30 June, *Official Report*, column *38*.

Botswana

Mrs. Ballard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of Botswana to express concern at the forced expulsion of the Khwe Bushmen from the Central Kalahari Game Reserve. [9125]

Mr. Tony Lloyd: We have made representations to the Botswana Government, who have assured us that the Khwe Bushmen would not be evicted from the Central Kalahari Game Reserve. Our High Commissioner visited the central Kalahari area earlier this month and found no evidence that Bushmen had been forced away from the reserve. He is, however, pursuing with the Minister of local Government the need for better planning for managing the move of those bushmen who elected to leave the reserve.

Social Chapter

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Government will implement measures brought under the qualified majority voting section of the social chapter, in circumstances where these are contrary to Government policy. [9081]

Mr. Doug Henderson: We will negotiate constructively with the aim of ensuring that any EC legislation adopted by QMV takes into account UK policy.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the impact of the social chapter on the competitiveness of British companies. [9075]

Mr. Henderson: Only two directives have so far been adopted under the Agreement on Social Policy. These simply introduce minimum standards which reflect good business practice and we do not believe that they will damage competitiveness.

We will use our influence in the EU to promote employability and competitiveness.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth affairs what percentage of social chapter legislation is subject to qualified majority voting. [9123]

Mr. Henderson: Both the two directives so far adopted under the Agreement on Social Policy were subject to QMV. The voting procedure for the draft directive currently under discussion (Burden of Proof) would also be QMV.

It is not possible to predict what percentage of future legislation under the Agreement will be subject to QMV.

European Parliament

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs in what circumstances the European Parliament acting through co-decision making procedures is able to veto measures from the Council of Ministers. [9078]

Mr. Doug Henderson: The European Parliament is able to veto any legislative measure made through co-decision where agreement cannot be reached with the Council of Ministers.

Common Foreign and Security Policy

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those areas under common foreign and security policy which will operate under qualified majority voting. [9082]

Mr. Doug Henderson: Under the common foreign and security policy provisions of the Amsterdam Treaty, the Council will act by qualified majority when taking decisions on the basis of common strategies adopted unanimously by the European Council; and when adopting decisions implementing joint actions or common positions. Any Member State may, however, prevent such a vote being taken for important and stated reasons of national policy. In these circumstances the matter may be

referred to the European Council for decision by unanimity. Qualified majority voting will not apply to decisions having military or defence implications.

Iraq (Sanctions)

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will investigate details provided by the Iraqi National Congress, a copy of which has been sent to him, of sanctions breaches in contravention of United Nations resolution 986. [9590]

Mr. Fatchett: Yes. We take seriously all reports of violations of sanctions against Iraq. We remain committed to maintaining these sanctions, while alleviating the suffering of the Iraqi people through the mechanisms established under SCRs 986 and 1111.

Debt Payment

Mrs. May: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9532]

Mr. Fatchett: All Departments are required to pay their bills within agreed contract terms, or 30 days from receipt of the goods or service of a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could only be provided at disproportionate cost. We will publish a league table of departmental payment performance for 1996–97 in the Autumn.

Westminster Foundation for Democracy

Ms Rosie Winterton: To ask the Secretary of State for Foreign and Commonwealth Affairs when the audited accounts and Annual Report of the Westminster Foundation for Democracy will be available; and what subject matter they will cover. [9995]

Mr. Robin Cook: Copies of the Foundation's Annual Report for 1996–97 have been placed in the Libraries of the House.

The Foundation received £2.5 million from this Department for its activities in 1996–97. With this grant it supported 278 projects in 58 countries. It directed most of its funds to supporting democratic institutions in Central and Eastern Europe, the former Soviet Union and Anglophone Africa, and also supported worthwhile projects in other parts of the world. It makes a valuable contribution to the promotion of democracy overseas. Projects have included work with political parties, parliaments, the independent media, trades unions, human rights groups, women's groups and other non-governmental organisations involved in political development.

EDUCATION AND EMPLOYMENT

Debt Payment

Mrs. May: To ask the Secretary of State for Education and Employment what his Department's policy is on the timely payment of debt; and what its record has been on debt payment in the current financial year. [9321]

Dr. Howells: All departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could be provided only at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the Autumn.

School Inspections

Mr. David Heath: To ask the Secretary of State for Education and Employment if he will estimate the average cost of an OFSTED inspection for a primary school with a roll of 200 pupils. [8343]

Mr. Byers: The cost of school inspections is a matter for HMCI. I have asked him to write to the hon. Member, placing a copy of his letter in the Library.

Assisted Places

Mr. Sanders: To ask the Secretary of State for Education and Employment if he will list the schools in the constituency of Torbay with pupils on the assisted places scheme, indicating in each case the number of pupils and the income which the school receives under the scheme in 1997–98. [8757]

Mr. Byers: There are no schools participating in the assisted places scheme in the Torbay constituency.

Youth Service

Mr. Öpik: To ask the Secretary of State for Education and Employment (1) what the expenditure on the Youth Service was *(a)* in total and *(b)* per area in each of the last 10 years for which figures are available; what is the planned expenditure for the next two years; and if he will make a statement; [9132]

(2) what was the percentage change in Youth Service funding in *(a)* cash terms and *(b)* real terms, in each of the last 10 years; what is the planned percentage change in (i) cash terms and (ii) real terms in the next two years; and if he will make a statement. [9479]

Dr. Howells: The following table sets out net current expenditure for the Youth Service from 1989–90 to 1995–96, the latest year for which figures are available, and the percentage changes in cash and real terms from 1986–87 and 1995–96 for the all-England totals. Information for each Local Education Authority prior to 1989–90 is not readily available. There are no planning figures for the next two years; LEAs' Standard Spending Assessments are not hypothecated and expenditure will depend upon decisions made at the local level.

Youth Service—Net current expenditure

	1986–87 £000s	*1987–88 £000s*	*1988–89 £000s*	*1989–90 £000s*	*1990–91 £000s*	*1991–92 £000s*	*1992–93 £000s*	*1993–94 £000s*	*1994–95 £000s*	*1995–96 £000s*
All England Cash Terms	143,730	170,862	198,622	235,303	241,717	249,515	273,850	275,443	281,825	279,137
Year on Year difference percentage	—	18.9	16.2	18.5	2.7	3.2	9.8	0.6	2.3	–1.0
Real Terms (1997–98 prices)	234,428	238,677	262,163	319,241	303,646	297,261	307,241	303,329	305,746	271,034
Year on Year difference percentage	—	1.8	9.8	21.8	–4.9	–2.1	3.4	–1.3	0.8	–11.4
LEAs—Cash Terms										
Corporation of London	—	—	—	—	—	—	—	3	8	43
Camden	—	—	—	—	—	—	—	1,846	2,176	2,313
Greenwich	—	—	—	—	—	—	—	1,966	1,627	1,832
Hackney	—	—	—	—	—	—	—	3,413	3,133	2,807
Hammersmith and Fulham	—	—	—	—	—	—	—	1,924	812	794
Islington	—	—	—	—	—	—	—	3,386	3,448	3,701
Kensington and Chelsea	—	—	—	—	—	—	—	2,280	2,259	1,785
Lambeth	—	—	—	—	—	—	—	2,474	2,742	3,479
Lewisham	—	—	—	—	—	—	—	1,231	601	5
Southwark	—	—	—	—	—	—	—	1,531	2,615	3,004
Tower Hamlets	—	—	—	—	—	—	—	4,421	4,462	4,159
Wandsworth	—	—	—	—	—	—	—	3,132	3,202	3,140
Westminster	—	—	—	—	—	—	—	2,390	2,453	2,697
Barking and Dagenham	—	—	—	—	—	—	—	1,387	1,280	1,218
Barnet	—	—	—	—	—	—	—	1,239	1,156	1,458
Bexley	—	—	—	—	—	—	—	1,321	859	1,057
Brent	—	—	—	—	—	—	—	3,764	3,495	2,672
Bromley	—	—	—	—	—	—	—	914	869	876
Croydon	—	—	—	—	—	—	—	1,648	1,640	1,685
Ealing	—	—	—	—	—	—	—	1,096	1,057	1,226
Enfield	—	—	—	—	—	—	—	677	738	692
Haringey	—	—	—	—	—	—	—	771	813	805
Harrow	—	—	—	—	—	—	—	736	772	908
Havering	—	—	—	—	—	—	—	1,041	1,020	906
Hillingdon	—	—	—	—	—	—	—	1,220	941	1,287
Hounslow	—	—	—	—	—	—	—	918	858	869
Kingston upon Thames	—	—	—	—	—	—	—	739	712	883
Merton	—	—	—	—	—	—	—	924	823	522
Newham	—	—	—	—	—	—	—	2,291	2,055	1,106
Redbridge	—	—	—	—	—	—	—	1,310	1,320	1,374
Richmond upon Thames	—	—	—	—	—	—	—	749	855	926
Sutton	—	—	—	—	—	—	—	991	1,109	1,222
Waltham Forest	—	—	—	—	—	—	—	2,144	1,855	1,912
Birmingham	—	—	—	—	—	—	—	5,782	6,868	6,684
Coventry	—	—	—	—	—	—	—	1,749	1,751	1,832
Dudley	—	—	—	—	—	—	—	945	1,043	1,096
Sandwell	—	—	—	—	—	—	—	690	729	875
Solihull	—	—	—	—	—	—	—	750	698	623
Walsall	—	—	—	—	—	—	—	1,021	1,297	308
Wolverhampton	—	—	—	—	—	—	—	2,625	2,733	2,828
Knowsley	—	—	—	—	—	—	—	2,034	'—	'—
Liverpool	—	—	—	—	—	—	—	6,514	6,215	6,527
St. Helens	—	—	—	—	—	—	—	347	435	643
Sefton	—	—	—	—	—	—	—	1,411	1,464	1,435
Wirral	—	—	—	—	—	—	—	2,351	2,295	2,251
Bolton	—	—	—	—	—	—	—	1,642	1,438	1,571
Bury	—	—	—	—	—	—	—	825	895	1,087
Manchester	—	—	—	—	—	—	—	3,220	2,548	2,812
Oldham	—	—	—	—	—	—	—	1,074	1,220	1,199
Rochdale	—	—	—	—	—	—	—	1,308	1,414	1,440
Salford	—	—	—	—	—	—	—	937	972	946
Stockport	—	—	—	—	—	—	—	772	1,112	1,146
Tameside	—	—	—	—	—	—	—	1,838	1,685	1,789
Trafford	—	—	—	—	—	—	—	1,073	1,026	1,017
Wigan	—	—	—	—	—	—	—	861	1,002	1,106
Barnsley	—	—	—	—	—	—	—	781	986	1,212
Doncaster	—	—	—	—	—	—	—	1,657	1,706	1,892
Rotherham	—	—	—	—	—	—	—	2,023	2,117	2,176
Sheffield	—	—	—	—	—	—	—	3,828	4,133	4,290
Bradford	—	—	—	—	—	—	—	3,002	4,887	4,641
Calderdale	—	—	—	—	—	—	—	1,669	1,801	1,890
Kirklees	—	—	—	—	—	—	—	3,211	3,758	2,851
Leeds	—	—	—	—	—	—	—	3,656	4,055	4,350
Wakefield	—	—	—	—	—	—	—	1,367	1,308	1,345
Gateshead	—	—	—	—	—	—	—	1,155	962	897
Newcastle upon Tyne	—	—	—	—	—	—	—	1,598	2,355	2,439
North Tyneside	—	—	—	—	—	—	—	296	265	258
South Tyneside	—	—	—	—	—	—	—	873	836	899
Sunderland	—	—	—	—	—	—	—	1,858	1,832	1,902
Isles of Scilly	—	—	—	—	—	—	—	0	1	0
Avon	—	—	—	—	—	—	—	6,244	6,421	6,815
Bedfordshire	—	—	—	—	—	—	—	2,369	2,288	2,299
Berkshire	—	—	—	—	—	—	—	4,222	4,464	4,779

Youth Service—Net current expenditure

	1986–87 £000s	*1987–88 £000s*	*1988–89 £000s*	*1989–90 £000s*	*1990–91 £000s*	*1991–92 £000s*	*1992–93 £000s*	*1993–94 £000s*	*1994–95 £000s*	*1995–96 £000s*
Buckinghamshire	—	—	—	—	—	—	—	5,247	3,831	3,965
Cambridgeshire	—	—	—	—	—	—	—	4,093	4,521	3,864
Cheshire	—	—	—	—	—	—	—	3,901	4,788	3,906
Cleveland	—	—	—	—	—	—	—	4,684	5,015	5,151
Cornwall	—	—	—	—	—	—	—	1,797	1,895	2,382
Cumbria	—	—	—	—	—	—	—	1,641	1,454	1,552
Derbyshire	—	—	—	—	—	—	—	5,413	5,716	5,613
Devon	—	—	—	—	—	—	—	3,258	3,492	2,966
Dorset	—	—	—	—	—	—	—	3,294	3,465	3,714
Durham	—	—	—	—	—	—	—	4,504	4,319	3,737
East Sussex	—	—	—	—	—	—	—	1,923	2,086	2,213
Essex	—	—	—	—	—	—	—	8,616	9,311	8,926
Gloucestershire	—	—	—	—	—	—	—	2,787	2,864	3,058
Hampshire	—	—	—	—	—	—	—	3,911	4,263	4,129
Hereford and Worcester	—	—	—	—	—	—	—	2,139	2,141	2,106
Hertfordshire	—	—	—	—	—	—	—	4,629	4,967	4,869
Humberside	—	—	—	—	—	—	—	6,093	5,964	6,378
Isle of Wight	—	—	—	—	—	—	—	985	1,008	944
Kent	—	—	—	—	—	—	—	4,664	7,122	4,439
Lancashire	—	—	—	—	—	—	—	9,898	10,261	10,758
Leicestershire	—	—	—	—	—	—	—	6,279	6,048	5,211
Lincolnshire	—	—	—	—	—	—	—	1,994	2,095	2,014
Norfolk	—	—	—	—	—	—	—	2,940	3,218	3,025
North Yorkshire	—	—	—	—	—	—	—	2,844	2,892	2,747
Northamptonshire	—	—	—	—	—	—	—	2,630	2,686	2,916
Northumberland	—	—	—	—	—	—	—	1,364	1,758	2,005
Nottinghamshire	—	—	—	—	—	—	—	6,469	6,610	6,999
Oxfordshire	—	—	—	—	—	—	—	2,691	3,131	3,473
Shropshire	—	—	—	—	—	—	—	2,823	2,807	2,720
Somerset	—	—	—	—	—	—	—	1,999	1,942	2,036
Staffordshire	—	—	—	—	—	—	—	9,859	9,404	8,849
Suffolk	—	—	—	—	—	—	—	1,405	[1]—	[1]—
Surrey	—	—	—	—	—	—	—	4,511	5,281	5,195
Warwickshire	—	—	—	—	—	—	—	636	769	751
West Sussex	—	—	—	—	—	—	—	4,132	4,046	3,988
Wiltshire	—	—	—	—	—	—	—	3,935	3,875	4,025
Total	—	—	—	—	—	—	—	275,443	281,825	279,137

[1] Information not available.

Mr Öpik: To ask the Secretary of State for Education and Employment what plans he has to make provision of the Youth Service a statutory responsibility; and if he will make a statement. [9137]

Dr. Howells: Local authorities already have a duty under the existing Education Acts to secure provision in their areas of adequate facilities for further education, of which the youth service is a part. However, the Government is committed to raising the profile of the youth service which it values as an important provider of personal and social education for young people. Further details about my right hon. Friend's proposals for legislation to place the youth service on a clearer and more specific statutory footing will be included in the White Paper on Lifelong Learning in the autumn.

SOCIAL SECURITY

Skipton Benefits Agency

Mr. Curry: To ask the Secretary of State for Social Security (1) what plans exist to reduce the staffing levels and ranges of services at Skipton Benefits Agency; [9104]

(2) which existing occupiers of Cavendish House in Skipton intend to vacate the premises; and what new occupiers she expects will move in; [9106]

(3) what is the catchment area of the Benefits Agency at Cavendish House, Skipton; [9105]

(4) if the present level of service and staff presence will be maintained at Skipton Benefits Agency during the current review. [9107]

Mr. Field: One of our key aims is that delivery of service should be simpler and more efficient. In order to maintain and improve the level of service whilst keeping within announced spending totals, managers have decided to move the processing of benefits from the Benefits Agency office at Skipton to the Keighley office. Queries on operational matters are for the Chief Executive of the Benefits Agency, Peter Mathison. I have asked him to reply to the hon. Member directly and for his reply to be published with the answer.

Letter from Peter Mathison to Mr. David Curry, dated 17 July 1997:

The Secretary of State has asked me to reply to your recent Parliamentary Questions concerning the Benefits Agency (BA) office at Cavendish House in Skipton.

The BA is currently undertaking a radical reappraisal of its services and the way they are delivered, in order to maintain and improve the level of service provided whilst keeping within the spending targets that have been set for the next two years.

The Agency is committed to ensuring that people will get the help they need to claim the benefits they are entitled to. The Yorkshire Area Directorate remains committed to providing a high level of service to its customers and equal access to the benefit system for all members of the public.

It is expected that all benefit processing work will be transferred from the BA office at Skipton to the Keighley office by 15 September 1997. There are currently 27 staff based in Skipton

of which 6 or 7 will remain. The range of services offered to the public will be unaltered and customers should not notice any difference in the level of service.

As far as the BA is aware the other occupants, currently Inland Revenue and Employment Services, intend to remain in Cavendish House.

The Skipton catchment area incorporates Bolton Abbey, Buckden, Cowling, Cray, Crosshills, Gargrave, Grassington, Hellifield, Kettlewell, Long Preston, Malham, Ribblehead, Settle and Skipton.

I can confirm that the present levels of service of staff presence have remained unaltered during the review.

I hope you find this reply helpful.

Debt Payment

Mrs. May: To ask the Secretary of State for Social Security what is the policy of her Department on the timely payment of debts; and what is her Department's record on the payment of debts in the current financial year. [9524]

Mr. Field: All departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is the later, where no such terms exist. Information on this Department's record in the current financial year is not yet available. The Government will publish a league of departmental payment performance for 1996–97 in the Autumn.

Benefits Offices

Mr. Oaten: To ask the Secretary of State for Social Security what plans she has to visit the Uxbridge Benefits Agency; and if she will make a statement. [9335]

Mr. Field: My right hon. Friend, the Secretary of State, intends visiting the Uxbridge office in the near future.

Mr. Oaten: To ask the Secretary of State for Social Security what plans she has to review the previous Government's rationalisation of benefits offices; and if she will make a statement. [9331]

Mr. Field: We are working to deliver our aim of modernising social security delivery so that we offer a better, simpler and more efficient service. As a key part of this, we will be looking at all proposals affecting national and local delivery to ensure that they meet these criteria.

TRADE AND INDUSTRY

Indonesia (Exports)

Ann Clwyd: To ask the President of the Board of Trade if she will list the *(a)* number and *(b)* categories of export licences granted to Greys Defence Systems Ltd. since 1988 for the export of military, security, police equipment and services to Indonesia; and if she will make a statement on the equipment and services provided. [3688]

Mrs. Roche: Companies House records show that Greys Defence Systems Ltd. was incorporated on 20 September 1994. Readily available records show that no export licences have been granted to this company for Indonesia.

Ann Clwyd: To ask the President of the Board of Trade if she will list the export licences granted to *(a)* Procurement Services International and *(b)* Greys Defence Systems Ltd. for (i) the export of police and security vehicles to the Indonesian Road Police and (ii) the transfer of 8x8 armoured vehicles to Indonesia. [3635]

Mrs. Roche: Four export licences have been granted to Procurement Services International for the export of police and security vehicles to the Indonesian police. None of the applications has referred to Road Police, all exports have been destined for Sabhara—the traffic police, Dalmas—local police or Brimob—police mobile brigade. The Department does not maintain records of the actual transfers made under the export licences it issues.

No export licences have been granted to Greys Defence Systems Ltd., for Indonesia.

Ann Clwyd: To ask the President of the Board of Trade what assessment her Department made of applications from GKN Defence for the export of MOWAG armoured or internal security vehicles to Indonesia. [3640]

Mrs. Roche: Release of the information requested is being considered under the Code of Practice for access to Government Information and a substantive reply will be made as soon as possible.

Armoured Vehicle Exports

Ann Clwyd: To ask the President of the Board of Trade (1) if she will make a statement on the export licences granted to Transac International for the export of armoured or internal security vehicles since 1988, indicating the amounts involved, export licence category, countries and security forces units of destination in each case; [3641]

(2) if she will list *(a)* the export licences granted to Gulf Transac for the export of armoured or internal security vehicles since 1988 and *(b)* the amounts, export licence category, countries and security forces units of destination in each case. [3524]

Mrs. Roche: Release of the information requested is being considered under the Code of Practice for access to Government Information and a substantive reply will be made as soon as possible.

Petrol Prices

Mrs. Gillan: To ask the President of the Board of Trade if the Parliamentary Under-Secretary of State for Competition and Consumer Affairs will meet the Highland and Islands Action Group to discuss the effect of the increase in petrol prices resulting from the Budget. [8350]

Mr. Nigel Griffiths *[holding answer 14 July 1997]:* My hon. Friend the Member for Inverness East, Nairn and Lochaber (Mr. Stewart) has already arranged for me to meet the Highlands and Islands Action Group. If the hon. Member has any interest I would be delighted if she could join us.

BT (School Internet Services)

Mr. Redwood: To ask the President of the Board of Trade (1) if he has reviewed the competition policy

consequences of the Government agreement with BT to provide free Internet services to each school; and if he will make a statement; [8916]

(2) when every school will have access to the free Internet service for all schools which the Government are planning; [8918]

(3) when Oftel will announce its findings concerning the Government's agreement with BT to provide free Internet services to each school in return for permitting BT earlier access to the broadcast market. [8919]

Mrs. Roche: The Government welcomes BT's proposal of a special deal for schools, and the offers which the Cable companies have brought forward. These initiatives, which aim to offer schools access to advanced on-line services at affordable and predictable rates, will be of key importance in fulfilling the Government's commitment to wire up schools to the Information Superhighway free of charge, and to make access charges as low as possible.

There are issues relating to BT's proposal which require Oftel to consult others in the industry, in line with its regulatory duties. We are pleased that Oftel has now published its consultation document, proposing options specifically designed to encourage participation by all telecommunication companies, and competition between different telecommunications companies and Internet service providers. This illustrates the way forward, with all operators working in partnership. Oftel will work towards a final conclusion in September.

It is of course up to individual schools to decide whether or not to take up the cable industry's offer, or BT's proposal when it is available, and it is therefore not possible to indicate when every school will connect to the Internet. The Government will publish in the Autumn a consultation paper on the National Grid for Learning which will address key issues including network links, ICT infrastructure, software, services, teacher training and technical support.

The Government is, in line with its manifesto commitments, separately considering the way forward on questions relating to the regulatory restrictions on BT and other Public Telecoms operators. Oftel is involved in that process. The issues involved are complicated—relating not just to competition in telecoms but also to wider broadcasting issues—and must be considered carefully. The Government would expect to publish proposals on the way forward in the Autumn.

Bank of Credit and Commerce International

Mr. Vaz: To ask the President of the Board of Trade (1) what are the costs of the English BCCI liquidation to date; [9145]

(2) what are the fees and expenses of Deloitte and Touche in the English liquidation of BCCI to date. [9144]

Mr. Nigel Griffiths: Total expenses brought to account in the UK liquidation of BCCI up to 15 January 1997 (the date to which the last Annual Report of the joint liquidators was made up) were US$567 million and the realisations totalled US$2,445 million. Further details of the expenses and receipts can be found in the joint liquidators' report to the Secretary of State pursuant to Regulations 14 of the Insolvency Regulations 1994 for the period 16 January 1996 to 15 January 1997, copies of which have been placed in the Library of the House and a copy of which I sent to the hon. Member on 30 May 1997.

Ethnic Minorities

Mr. Vaz: To ask the President of the Board of Trade how many and what percentage of civil servants in each of grades 1 to 7 in her Department are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9565]

Mr. Nigel Griffiths: The figures for the DTI, on a headcount basis and excluding Executive Agencies, on 17 July 1997 are as follows:

	Asian origin		*Afro-Caribbean origin*	
Grade level	*Number of respondents*	*Percentage*	*Number of respondents*	*Percentage*
Senior Civil Service	0	0	0	0
Grades 6 and 7	8	1.2	1	0.15

The figures for grade levels include all equivalent grades. About 8 per cent. of staff have chosen not to respond to the Department's ethnic origin survey.

Employment Advertisements

Ms Perham: To ask the President of the Board of Trade how often since 1992 her Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9506]

Mr. Nigel Griffiths: Consistent with a long standing Departmental policy, since 1992 there have been no age restrictions in advertisements for any posts in the DTI.

Secured Loans Market (Unfair Practices)

Mr. Miller: To ask the President of the Board of Trade what plans she has to prevent unfair lending practices in the secured loans market. [10067]

Mr. Nigel Griffiths: I am concerned over some of the allegations I have seen about practices adopted by some lenders and brokers.

I warmly welcome, and support, the guidelines which the Director General of Fair Trading published today to lenders and brokers in this market. I urge all businesses in the sector to follow these guidelines on good business practice which the Director General advocates. Now that the industry has these guidelines I hope this will put an end to concerns about its business practices.

Space Programme

Mrs. Gillan: To ask the President of the Board of Trade what plans she has to maintain the ESA science programme as the basis for United Kingdom space science activities; and what plans she has for bilateral co-operation and missions. [9435]

Mr. Battle: The ESA science programme is the main plank of UK space science. UK space scientists also participate in bilateral or multilateral missions which supplement collaboration through ESA. These include

Spectrum-X with the Russian Space Agency and opportunities are being sought to participate in missions led by Japan, NASA, Eire and France.

Mrs. Gillan: To ask the President of the Board of Trade what preparation she is making for the ESA ministerial meeting in 1998; what plans she has for consultations with the space industry, commerce and academic similar to those which were undertaken before the last ESA ministerial meeting; and when she plans to start those consultations. [9456]

Mr. Battle: The European Space Agency will establish a working group in the autumn, on which the UK will be represented, to prepare for the planned Ministerial. I intend to keep in touch with this work and arrange timely consultation with the space sector on proposals as they take shape. Depending on progress, this could be in early 1998.

Mrs. Gillan: To ask the President of the Board of Trade if she plans to update the British Space Plan and publish it before the ESA Ministerial meeting next year. [9426]

Mr. Battle: The British National Space Centre is committed to an open planning process and will be preparing an updated Plan in consultation with the space sector. I would expect this to be completed before the planned ESA Ministerial.

Mrs. Gillan: To ask the President of the Board of Trade what role the United Kingdom will play in the proposed ESA Mars Express mission; and what assessment she has made of the contribution of United Kingdom scientists to Mars science. [9436]

Mr. Battle: The precise nature of the Mars Express mission and the roles of ESA members states within it are still under discussion. UK space science generally is world-class, as shown by the success of British scientists in international competition. No specific assessment has been made of their contribution to Mars science but UK scientists have built instruments for the NASA Mars Global Surveyor, due to reach Mars in September, and have collaborated with NASA in the study of Martian materials transported to Earth in meteorites.

Observatory (Edinburgh)

Mrs. Gillan: To ask the President of the Board of Trade what representatives the Minister for Science, Energy and Industry received from the hon. Member for Edinburgh, South (Mr. Griffiths) on the Royal Greenwich Observatory in Edinburgh. [9431]

Mr. Battle: I met my hon. Friend the Member for Edinburgh, South, together with representatives from the ROE, to listen to their view on the future of the Royal Observatories on 10 June. I held a similar meeting with my hon. Friend the Member for Cambridge (Mrs. Campbell) on 12 June.

Aluminium Industry

Mrs. Gillan: To ask the President of the Board of Trade what response her Department has made to the proposals from the European Commission on energy taxation in relation to the United Kingdom aluminium industry. [9438]

Mr. Battle: I have received a letter and a position paper from the Aluminium Federation (ALFED) concerning the implications of energy taxation for the UK aluminium industry. I intend to reply to this correspondence shortly. My officials are aware of the aluminium industry's concerns and are keeping in close touch with them on developments at EU level through ALFED.

ATTORNEY-GENERAL

Debt Payment

Mrs. May: To ask the Attorney-General what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9528]

The Attorney-General: All departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could be provided only at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

WALES

Off-road Cycleways

Mr. Ruane: To ask the Secretary of Stae for Wales (1) how many miles of off-road cycleways there are in each county in Wales; [7907]

(2) what is the projected increase in off-road cycleways over the next *(a)* five, *(b)* [redacted] and *(c)* 15 years for each county in Wales. [7906]

Mr. Hain: Although information requested is not held centrally, I welcome the expansion in provision of off-road cycleways.

Rat Infestations

Ms Atherton: To ask the Secretary of State for Wales how many rat infestations were recorded *(a)* in total and *(b)* by local authority for each year since 1990. [8444]

Mr. Win Griffiths: I have received no such notifications since 1990.

Local authorities are responsible for taking steps to secure, as far as practicable, that their districts are kept free of rats.

Subsidised Meals (Children)

Mr. Öpik: To ask the Secretary of State for Wales what assessment his Department has made of means by which subsidised meals for children may be provided outside school terms; and if he will make a statement. [9134]

Mr. Hain: None. Entitlement to free school meals and milk operates only in the context of the provision of education.

Debt Payment

Mrs. May: To ask the Secretary of State for Wales what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9522]

Mr. Ron Davies: All departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could be provided only at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

TREASURY

Public Expenditure

Mr. Mitchell: To ask the Chancellor of the Exchequer what account is taken in calculating the percentage of public expenditure and its control within the deficit limits of the Maastricht Treaty convergence criteria of that part of public investment projects co-funded by national or local government and funds of the European Community; and if he will place in the Library documents showing the relevant methodology and the outturn calculations for the last available three financial years. [5565]

Mr. Darling: The Maastricht Treaty convergence criteria set a reference level for the general government financial deficit of 3 per cent. of gross domestic product. All general government investment expenditure is included in the calculation of the deficit, irrespective of source of funding, as are net contributions to the European Union.

Local Government Finance (EU)

Mr. Gorrie: To ask the Chancellor of the Exchequer which countries in the EU include local authority self-financed expenditure or an equivalent category in their national control total or its equivalent. [8195]

Mrs. Liddell: The Treasury does not hold comprehensive information about the budgetary control totals of other member states. All countries in the EU measure the General Government Financial Deficit, which takes account of local authorities' current and capital expenditure on sectors outside general government.

Pensioners (Tax Credits)

Mr. Gibb: To ask the Chancellor of the Exchequer what estimate he has made of *(a)* how many pensioners with no tax liability reclaimed a tax credit on dividends paid in 1996–97 and *(b)* the average amount re-claimed. [7555]

Dawn Primarolo: The latest available information is derived from 1995–96 Survey of Personal Incomes. It is estimated that some 300,000 non-taxpayers aged 65 or over made claims, averaging £75, for payment of the tax credit on dividends paid in 1995–96.

Budget (Environmental Impact)

Mr. Dafis: To ask the Chancellor of the Exchequer if he will publish his assessment of the environmental impact of tax and spending charges outlined in his Budget. [8347]

Dawn Primarolo: It is estimated that the net effect of the increase in the road fuel duty escalator from 5 to 6 per cent. (assuming this is applied for the life of this Parliament), the reduction in VAT on domestic fuel and power, and abolition of the gas levy will be to reduce carbon emissions by 2010 by around 2 million tonnes annually. A number of other tax changes—including the reduction in VED for low emission buses, and the freeze in road fuel gas duty—will also reduce emissions, but effects will be dependent on take up. The Environmental Task Force, set up as part of the New Deal for the unemployed, will help in meeting the Government's target for heat conservation and efficiency, and thus will also help in reducing emissions.

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer when he intends to publish the Green Book on the environmental implications of the Budget. [8674]

Dawn Primarolo: There are no plans to publish such a "Green Book" for the recent Budget which was not a full Budget. Information on the environmental implications of the Budget is contained in the Financial Statement and Budget Report—the "Red Book"—and in further press notices issued on Budget day.

Mr. Taylor: To ask the Chancellor of the Exchequer if he will list those proposals in the Budget which may lead to *(a)* a reduction and *(b)* an increase in carbon dioxide emissions in the United Kingdom; if he will estimate by how much carbon dioxide emissions will change in each case; and if he will make a statement. [8636]

Dawn Primarolo: It is estimated that the increase in the commitment to increase road fuel duties from an average of at least 5 per cent. a year in real terms to 6 per cent., will—if maintained for the life of this Parliament—produce additional savings, by the year 2010, of around 2½ million tonnes carbon annually; the reduction in VAT on domestic fuel and power will increase emissions in 2010 by around 0.24 million tonnes carbon; the cut in the gas levy will have a minimal effect.

Strip Searches

Dr. Lynne Jones: To ask the Chancellor of the Exchequer what criteria are used by Customs and Excise officers to determine reasonable grounds for suspicion prior to strip searching; and if there is a code of practice by which officers can be held accountable. [8524]

Dawn Primarolo: Customs and Excise follow the Police and Criminal Evidence Act 1984 Code of Practice on intimate and strip searches.

Dr. Jones: To ask the Chancellor of the Exchequer what proportion of people strip searched in the custody of Customs and Excise officers *(a)* were not charged with any offence and *(b)* were not subsequently convicted of any offence, in each of the last three years. [8522]

Dawn Primarolo: Information in the form requested is not readily available.

Environmental Taxation

Mr. Dafis: To ask the Chancellor of the Exchequer if he will set up a green tax commission to advise him on the subject of environmental taxation. [8346]

Dawn Primarolo: The statement of intent on environmental taxation, issued at the time of the Budget, said that "the Government will explore the scope for using the tax system to deliver environmental objectives". In taking this forward the Government will consult on potential environmental taxes on a case by case basis, for example as it is now proposing to do on measures to reduce water pollution. The Government has no present plans to establish a Green Tax Commission.

Advance Corporation Tax

Mr. Colvin: To ask the Chancellor of the Exchequer what consultations took place between his Department and the pensions industry prior to changes to advance corporation tax in the Budget. [7648]

Dawn Primarolo: None, as it would not have been appropriate to do so at that stage as indications to this possibility would have been market sensitive.

Minister for Trade and Competitiveness in Europe

Mr. Redwood: To ask the Chancellor of the Exchequer if he will list the meetings involving discussion of the Budget attended by the Minister for Trade and Competitiveness in Europe; and what *(a)* papers and *(b)* correspondence were circulated to him on the Budget prior to the Budget statement. [7426]

Mr. Gordon Brown: Lord Simon took no formal part in the pre-Budget decision process and attended no formal Budget meetings. No Budget correspondence was circulated to him.

Local Authority Pension Funds

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer what representatations he has received from local authorities about the removal of dividend tax credits from their pension funds. [8137]

Dawn Primarolo *[holding answer 11 July 1997]:* We have received some representations from local authorities on this point.

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer if he will estimate the effect of local authority-funded pension schemes of the removal of dividend tax credits. [8136]

Dawn Primarolo *[holding answer 11 July 1997]:* The extent to which the abolition of payable tax credits will affect contributions to the local government pension schemes will depend on the overall judgment made by schemes' actuaries when undertaking the next actuarial valuation.

Gas Levy

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer what are the estimated savings per week resulting from the abolition of the gas levy for *(a)* the average household, *(b)* those in the lowest decile of income distribution, *(c)* those in the highest decile of income distribution and *(d)* old age pensioners. [8652]

Dawn Primarolo: The estimated average savings from the proposed reduction of the gas levy to zero from April 1998 are given in the following table.

Household type	*Saving (£ per week)*	*As a percentage of net income*
Average household	0.10	0.03
Households in the lowest income decile	0.10	0.09
Households in the highest income decile	0.15	0.02
Pensioners	0.10	0.05

Figures for pounds per week gain are rounded to the nearest 5p. Household incomes are adjusted for differences in composition before allocating households to deciles of net income.

Tax Evasion (Construction Industry)

Mr. Sheerman: To ask the Chancellor of the Exchequer what estimate he has made of the annual loss of revenue caused by tax and national insurance evasion in the construction industry; what plans he has to reduce that evasion; and what additional resources he will deploy for that purpose. [8686]

Dawn Primarolo: There is no official estimate of the loss of revenue caused by evasion in the construction industry, or any means of arriving at a reliable estimate. Legislation contained in the 1995 and 1996 Finance Acts will greatly reduce the opportunities for evasion by bringing considerably more subcontractors within the scheme for deductions on account and tax and national insurance contributions and by requiring them to carry registration cards. A new computer system is being developed to support the scheme. Additional resources have also recently been made available to help to enforce compliance within the construction industry.

Trusts

Mr. Faber: To ask the Chancellor of the Exchequer what plans he has to review the tax treatment of income arising out of discretionary and accumulation trusts. [8733]

Dawn Primarolo: The tax treatment of all income is kept under review.

Charities

Mrs. Gillan: To ask the Chancellor of the Exchequer what consideration is being given to the interests of small high street businesses in relation to the current review of the tax status of charities. [8478]

Dawn Primarolo *[holding answer 14 July 1997]:* The review of charity taxation invites representations on all aspects of the taxation of charities.

Pensions

Mr. Gillan: To ask the Chancellor of the Exchequer what assessment he has made of the financial impact of the Budget measures on pensions in the self-employed sector. [8471]

Dawn Primarolo *[holding answer 14 July 1997]:* The Budget promotes economic stability and encourages long-term and high quality investment. This is good for the UK economy including the self-employed and the pension funds through which they invest for their retirement.

Medical Insurance (Tax Relief)

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer what estimate he has made of the number of people receiving tax relief for private medical insurance who will terminate their current policies as a result of the Budget measures to terminate such tax relief. [8701]

Dawn Primarolo *[holding answer 15 July 1997]:* There is no reason for anyone to terminate a policy which was current at the time of the Budget, because tax relief continues to be given on eligible policies until they fall due for renewal.

Ethnic Minorities

Mr. Vaz: To ask the Chancellor of the Exchequer how many and what percentage of employees, in each payband, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8935]

Mrs. Liddell: The advisory bodies and tribunals for which the Chancellor of the Exchequer is responsible do not employ any staff of their own.

Civil Servants

Mr. Vaz : To ask the Chancellor of the Exchequer how many civil servants there are on each payband in his Department. [8936]

Mrs. Liddell: The number of civil servants working the Treasury by payband is:

Pay band	*Number*
£7,400–£14,121	87
£11,000–£17,973	224
£14,000–£23,046	142
£19,000–£33,655	225
£28,000–£50,000	164
£32,054–£50,430	18
£38,000–£67,200	48
£55,900–£90,000	19
£67,000–£106,900	2
Total	929

Parliamentary Groups

Mr. Mackinlay: To ask the Chancellor of the Exchequer what criteria his Department applies in awarding grants to all-party Parliamentary groups. [8798]

Mr. Darling *[holding answer 16 July 1997]:* The level of grants to Parliamentary bodies is assessed annually in accordance with their Financial Memoranda, in the light of submissions from them as to the level of funding which they require. Their expenditure in previous years and the level of any reserves available to them are also taken into account.

The current level of grants is as follows:

Grant in aid 1997–98

	£
Inter Parliamentary Union	834,899
British Irish Inter Parliamentary Union	149,601
Commonwealth Parliamentary Association	88,750
British American Parliamentary Association	70,170

The level of future grants will be set in the light of the Comprehensive Spending Review.

Mr. Mackinlay: To ask the Chancellor of the Exchequer for what reason his Department makes an annual grant to the British-American Parliamentary group. [8797]

Mr. Darling *[holding answer 16 July 1997]:* Grant in aid is issued to the British-American Parliamentary group so that it can foster better relations between Members of Parliament and parliamentarians in the United States. As with all Government spending, this grant will be examined as part of the Comprehensive Spending Review which I announced to the House on 11 June.

Mr. Mackinlay: To ask the Chancellor of the Exchequer what arrangements his Department has for monitoring the use of the annual grant it makes to the British-American Parliamentary group; and if he will make a statement. [8796]

Mr. Darling *[holding answer 16 July 1997]:* Expenditure by the British American Parliamentary group is governed by its financial memorandum. Its level of grant is monitored in accordance with the Treasury's usual arrangements for the in year control of expenditure. As with all Government spending, the grant will be examined as part of the Comprehensive Spending Review which I announced to the House on 11 June.

Press Releases

Mr. Chidgey: To ask the Chancellor of the Exchequer how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8812]

Mrs. Liddell *[holding answer 17 July 1997]:* The Treasury uses various distribution methods for its press releases including fax, postal deliveries, and online databases. The Treasury does not bike press releases to Members of Parliament or individual groups. Press releases are distributed by post to hon. Members and other individual groups on request. Press releases are also issued to the Parliamentary Online Information Service which can be accessed by Members. Treasury news releases are widely accessed via our World Wide Web site on the Internet.

The Treasury issued 34 press releases in the period from 1 May to 1 July 1997 and 22 press releases from 1 January to 1 July. As part of our distribution mechanism, the Central Office of Information send press releases to media organisations on our behalf to ensure that they receive releases promptly. The cost of biking releases to COI is £5.95 (excluding VAT). It is not possible for our service suppliers to provide a separate breakdown of the cost of delivering releases to the media. However, the Treasury reviews these services regularly to ensure that the most cost effective delivery mechanisms are used at all times.

CABINET OFFICE

Millennium Experience

Mr. Mitchell: To ask the Minister without Portfolio if he will list the cost overruns to date in the contracts for site clearance and preparation for the Millennium Experience. [6441]

Mr. Caborn: I have been asked to reply.

There have been no cost overruns to date on the contracts placed by English Partnerships for site clearance and infrastructure works for the Millennium Experience.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Judicial Reviews

Ms Hodge: To ask the Secretary of State for the Environment, Transport and the Regions how many decisions by his Department were challenged by way of judicial review in each Parliamentary session since 1994–95; and if he will list in how many cases *(a)* the Department's decision was upheld, *(b)* the court found for the applicant, *(c)* the Department submitted to the judgment and *(d)* the Department appealed successfully against the judicial review decision. [7834]

Angela Eagle: Figures are available for the former Department of Transport for the calendar years 1995 and 1996, and for 1997 so far, as follows:

Year	*Total*	*Department's decision upheld by the court*	*Court found for the applicant*	*Department submitted to the judgment*	*Department appealed against the decision*	*Withdrawn*	*Pending*
1995	9	6	0	0	0	2	1
1996	8	5	0	1	0	2	0
1997	5	0	0	1	0	1	3

In the past, it was not considered necessary for this sort of information to be held by the Department of the Environment and the information is not held in a form which would enable this Question to be answered except at disproportionate cost. I have asked officials to ensure that, in future, information of this sort will be kept for the whole of the Department of the Environment, Transport and the Regions.

Soundproofing

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he will review the building regulations in order to improve soundproofing; and if he will make a statement. [8344]

Mr. Raynsford: Each part of the Building Regulations is kept under review and revised when the need is identified and adequate technical solutions are available. The Building Regulations Advisory Committee has advised the Department that there is a need to revise and strengthen Part E—*Resistance to the passage of sound,* and my officials have begun a review of the options available. Any changes made will draw on the results of research when this is completed.

Debt Payment

Mrs. May: To ask the Secretary of State for the Environment, Transport and the Regions what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9531]

Angela Eagle: All departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could be provided only at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

Offham Marshes

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the protection afforded to the site of special scientific interest at Offham Marshes, near Lewes. [9519]

Angela Eagle: Under the provisions of the Wildlife and Countryside Act 1981 SSSIs are protected from damaging operations by requiring owners and occupiers to notify English Nature if they wish to carry out any listed operation that might damage the special interest of the site. Notification allows for a period of negotiations. In respect of Offham Marshes there is a management agreement in place which protects the special interest for which the site was notified.

Rochfort Healthcare

Mr. Cawsey: To ask Secretary of State for the Environment, Transport and the Regions what action he will take on the planning application in Roxby from Rochfort Healthcare approved by North Lincolnshire Council (96/2067). [9594]

Mr. Raynsford: The local planning authority, North Lincolnshire UA, granted planning permission for this development on 30 May 1997. Once planning permission has been granted, the Secretary of State has no power to call in the associated application.

Cyclists

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the relevant responsibilities, in respect of the interests of cyclists, of *(a)* the Rail Regulator and *(b)* the Franchising Director. [9099]

Ms Glenda Jackson: The Franchising Director's Objectives, Instructions and Guidance require him to take into account all relevant Government policies, including the Government's support for the aims of the National Cycling Strategy. The Franchising Director has included in all franchise agreements a provision requiring facilities to be made available, as far as practicable, for the carriage of cycles on trains.

The Rail Regulator has no specific responsibilities in relation to the interests of cyclist. However, he has a general duty to protect the interests of railway users and to promote the use of the railway network.

Oil Tanker Traffic

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what measures the Government are undertaking to protect the Atlantic Frontier region from the effects of increased oil tanker traffic following Lord Donaldson's recommendations of 1993. [8987]

Ms Glenda Jackson: The Government is committed to protecting all of the UK coastline and all UK waters from the harmful effects of shipping. We have introduced several measures which go beyond the recommendations of Lord Donaldson's Inquiry. We are pressing for the designation of all waters around the UK as a special area for discharges of oil from ships. This will prohibit all discharges from oil tankers. We will shortly increase the maximum fine which magistrates may impose for illegal discharges of oil five-fold to £250,000. Several internationally agreed routeing and reporting measures have been introduced to enhance the safety of navigation around the UK coast. The effectiveness and scope of these measures are kept under review.

Salisbury Bypass

Mr. Key: To ask the Secretary of State for the Environment, Transport and the Regions what conclusions he has reached following his accelerated review of the proposed Salisbury bypass and associated roadworks in the Wessex Link design, build, finance and operate project; and if he will make a statement. [9309]

Ms Glenda Jackson: An announcement on the accelerated review will be made shortly.

A40

Mr. Nicholas Winterton: To ask the Secretary of State for the Environment, Transport and the Regions when he intends that work will commence on lane separation projects on the London section of the A40. [9326]

Ms Glenda Jackson: Schemes to separate the main and side roads at the junctions on the London section of the A40 are included in the A40 Western Approach DBFO project. This is one of the projects in the Accelerated Roads Review. An announcement on this will be made shortly.

Written Answers to Questions

Monday 21 July 1997

HOME DEPARTMENT

Young Offenders

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department if he will make a statement on his Department's plans to introduce a fast-track approach to bringing young offenders to court. [7526]

Mr. Michael: The Government are committed to halving the time from arrest to sentence for persistent young offenders and tackling delays throughout the youth justice system. We are taking immediate action to speed up proceedings against young offenders. My right hon. and learned Friend the Lord Chancellor has already written to the chairman of every youth panel in magistrates courts throughout England and Wales encouraging them to deal swiftly and effectively with persistent young offenders and to minimise the granting of adjournments. We intend to follow this up with good practice guidance to all relevant agencies. The Crime and Disorder Bill will also include reforms to the youth justice system designed to ensure that young offenders are dealt with more speedily.

European Convention on Human Rights

Mr. Burnett: To ask the Secretary of State for the Home Department what mechanisms he plans to establish for consultation on the incorporation of the European convention on human rights into *(a)* English and Welsh law, *(b)* Scots law and *(c)* Northern Irish law. [7527]

Mr. Mike O'Brien: We published a consultation document on incorporation—"Bringing Rights Home"—in December 1996. We are now developing proposals for legislation in the light of the responses to that document and further discussions we have had since then. We will announce our conclusions in a White Paper later this year and are happy to consider any representations made in response to it.

Mr. Brady: To ask the Secretary of State for the Home Department by what date he intends to have the European convention on human rights introduced into United Kingdom law. [7529]

Mr. Baldry: To ask the Secretary of State for the Home Department if he will make a statement on the Government's proposals to incorporate the European convention on human rights into domestic law. [7537]

Mr. O'Brien: We will introduce a Bill for this purpose in this Session of Parliament.

Coroners' Decisions

Mr. Barnes: To ask the Secretary of State for the Home Department what representations he has received concerning the mechanisms for appeals against coroners' decisions; and if he will make a statement. [7535]

Mr. George Howarth: Concerns have been expressed at the need to resort to the High Court for any review of a coroner's decision. This is one of a number of matters that we keep under review, but we have no present plans to change the legislation.

Debt Payment

Mrs. May: To ask the Secretary of State for the Home Department what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9529]

Mr. Straw: All Departments are required to pay their bills within agreed contract terms, or 30 days from receipt of goods or service or a valid invoice where no such terms exist, whichever is the later. Information on payment performance for the current financial year is not immediately available, but I shall write to the hon. Member with the information as soon as possible. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

Alcohol

Helen Jones: To ask the Secretary of State for the Home Department (1) what plans he has to restrict the advertising and promotion of alcohol; [9216]

(2) what plans he has to prevent alcohol abuse among young people. [9217]

Mr. George Howarth: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Selby (Mr. Grogan) on 16 July, *Official Report*, column *173*, and to the letter I sent to all hon. Members on 17 July.

Firearms

Mr. Wilshire: To ask the Secretary of State for the Home Department for what reasons section 7 of form A for use when surrendering items covered by the Firearms (Amendment) Act 1997 requires the person surrendering an item to agree to accept any payment rather than the sum specified in the compensation terms. [9670]

Mr. Michael: Payments will be made only in accordance with the terms of the compensation scheme as approved by Parliament. Valid claims under options A or B will result in the payments agreed in the scheme. The claim form asks claimants to declare that they will

"accept any payment made in relation to any items claimed for under Options A or B as a settlement of"

their

"claim in relation to those items".

With a claim under these options, the claimant knows exactly the payment on offer. Signature of the declaration enables the firearms compensation section to pay claims immediately—at the time of acknowledgement—rather than having to send a further letter before payment can be agreed.

Mr. Wilshire: To ask the Secretary of State for the Home Department what will be done with items surrendered under the terms of the Firearms (Amendment) Act 1997 prior to the completion of the action being taken by owners in the European Court of Justice. [9668]

Mr. Michael: With the exception of the items that are retained for police training purposes or acquired for public display in museums, all surrendered items will be destroyed. We are satisfied that the compensation scheme is in line with our obligations under European law and the disposal of surrendered items will proceed as described.

Mr. Wilshire: To ask the Secretary of State for the Home Department if late payment of compensation under the terms of the Firearms (Amendment) Act 1997 will attract interest. [9669]

Mr. Michael: Payments will be made under the published terms of the scheme. There is no provision to include interest as part of these payments, but payments will be made as swiftly as possible.

Mr. Wilshire: To ask the Secretary of State for the Home Department what paperwork a handgun owner is required to complete when handing in to the police any item required to be surrendered under the terms of the Firearms (Amendment) Act 1997. [9671]

Mr. Michael: When making a claim for a handgun or accessories, applicants must complete and submit a claim form provided by their police force. Those submitting a claim under option C must attach documentary evidence as to the value of their items. Claimants must also produce their firearm certificate, temporary permit or certificate of registration as a firearms dealer and dealer's record of transactions, as appropriate. It will also be necessary to produce evidence of lawful ownership of the items as at 16 October 1996, as specified in the compensation scheme itself.

Mr. Wilshire: To ask the Secretary of State for the Home Department who will be the legal owner of handguns handed in to the police under the terms of the Firearms (Amendment) Act 1997. [9667]

Mr. Michael: Items surrendered under the terms of the compensation and ex gratia schemes will become the property of the Secretary of State.

Mr. Colvin: To ask the Secretary of State for the Home Department when he will be tabling the draft compensation order for .22 calibre pistols and equipment. [9100]

Mr. Michael: Under the terms of clause 2 of the Firearms (Amendment) Bill there is no requirement for details of the compensation arrangements for small-calibre pistols and ancillary equipment to be tabled. Small-calibre pistol owners have already received details of the ex gratia scheme. As I informed the House during the debates on 9 June, copies of the scheme had been placed in the Library a few days beforehand. The scheme sets out the terms of payment for pistols and equipment that are surrendered voluntarily. It is intended that this ex gratia scheme will become the formal compensation scheme following the passing of the Bill. This, too, was explained fully to the House on 9 June.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for the Home Department how many and what percentage of employees, in each pay band, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8950]

Mr. Straw: From the available information, the breakdown of employees of Asian and Afro-Caribbean origin employed in the Home Office non-departmental public bodies is as follows:

Senior grades: 20 per cent.—Asian[1];—15 per cent.—Afro-Caribbean[2]

Executive grades: 29—11 per cent.—Asian; 46—18 per cent.—Afro-Caribbean

Administration and Support grades: 34—12 per cent.—Asian; 58—21 per cent.—Afro-Caribbean

[1]Figure five or fewer.

[2]These figures refer only to the Commission for Racial Equality as this is the only NDPB that currently employs ethnic minorities in senior grades.

Civil Servants

Mr. Vaz: To ask the Secretary of State for the Home Department how many civil servants there are on each pay band in his Department. [8951]

Mr. Straw: The Home Office has not yet adopted a pay band system. The number of serving civil servants[1] managed by the Home Office by grade equivalents is set out in the table. Although there is not as yet an agreed equivalency structure for all Prison Service grades, the following table is based on the current understanding.

Grade equivalency	*Home Office excluding Prison Service)*	*Prison Service*	*Total*
None	[2]28	[3]88	116
Administrative Assistants	1,949	6,085	8,034
Administrative Officers	2,573	24,511	27,084
Executive Officers	3,783	3,658	7,441
Higher Executive Officers	1,522	1,121	2,643
Senior Executive Officers	608	896	1,504
Grade 7s	442	381	823
Grade 6s	85	254	339
Non-Senior Civil Service Grades 2 to 5	[4]17	[5]56	73
Senior Civil Service	86	43	129
Total	11,109	37,093	48,202

[1] For the Home Office (non-Prison-Service), "serving civil servants" refers to permanent non-industrial staff currently paid by the Home Office. It does not include staff on loan or secondment to other Government Departments or external bodies where those bodies pay. For the Prison Service, the figures include casuals. The Home Office (non-Prison Service) figures are those for 6 July 1997. The Prison Service figures are those for 30 June 1997.

[2] Students on attachment to the Home Office and some other grades have no agreed grade equivalency.

[3] Currently no grade has been provided.

[4] Grades which were held to be equivalent to the old grades 2 to 4 but which have not been included in the senior civil service. These grades include HM inspectors.

[5] Mainly comprising senior health care staff.

Asylum Seekers

Dr. Harris: To ask the Secretary of State for the Home Department, pursuant to his answer of 30 June, *Official Report*, column *11*, how many in-country asylum applicants were detained under Immigration Act powers for one night or longer in *(a)* 1995 and *(b)* 1996. [8926]

Mr. Mike O'Brien: I regret that reliable information on the number of in-country asylum applicants placed in detention for one night or longer could be obtained only at disproportionate cost.

Crime (Sentences) Act 1997

Mr. Clappison: To ask the Secretary of State for the Home Department when he plans to implement section 20 of the Crime (Sentences) Act 1997. [9310]

Mr. Michael: We will make an announcement shortly about the implementation of provisions of the Crime (Sentences) Act 1997 as well as a wider package of measures reflecting our approach to sentencing.

Fox Deaths

Mr. Hoyle: To ask the Secretary of State for the Home Department what estimate he has made of the number of foxes killed per year *(a)* in total, *(b)* by shooting, *(c)* by hunting with hounds, *(d)* by road accidents and *(e)* other causes. [8577]

Mr. George Howarth: We have made no such estimate and the information requested could not be determined except at disproportionate cost. Various estimates have been provided by organisations that support or oppose fox hunting.

It will be for Parliament to decide how any further detailed work—such as an estimate of this kind—should be taken forward.

Stationery

Ms Walley: To ask the Secretary of State for the Home Department how much his Department spent on stationery provision in respect of paper items in each of the last five years. [8867]

Mr. Straw: This information is not separately recorded in the Home Office accounting system, but details provided by our two main suppliers of general stationery indicate that approximately £600,000, excluding value added tax, was spent on paper items in the calendar year 1996.

Additional, but smaller, orders would have been placed with various other suppliers, but details of these and information about previous years are not available except at disproportionate cost.

Rape

Mr. Flynn: To ask the Secretary of State for the Home Department what plans he has to review *(a)* the law of consent regarding rape and *(b)* the use of the victim's sexual history in rape trials. [8801]

Mr. Michael *[holding answer 16 July 1997]:* We are very concerned to ensure that the law on rape is effective in punishing and deterring crime and fair to victims. We have in the past laid down amendments aimed at reforming the law in this area and this remains our commitment. We have a number of competing priorities in this parliamentary Session and will need to look carefully as to when we could deal with this issue.

The law on consent in respect of rape, or the use of the sexual history of victims, is provided for in the Sexual Offences (Amendment) Act 1976. Under that Act, no question may be asked about, or evidence adduced of, the complainant's previous sexual history with anybody except the defendant without the leave of the trial judge. A judge should grant leave only if he is satisfied that it would be unfair to the defendant to refuse to do so.

We will continue to examine how the law is applied. A Home Office research study into the process of rape cases is seeking to identify what factors influence whether a recorded rape leads to a conviction. Among the factors under examination are the use of the victim's sexual history in court and the importance of corroborative evidence where consent is disputed.

Hunting with Hounds

Mr. Luff: To ask the Secretary of State for the Home Department, pursuant to his answer of 10 July, *Official Report*, column *523*, for what reasons his Department is unable to calculate the employment generated by hunting with hounds. [8702]

Mr. George Howarth *[holding answer 15 July 1997]:* Such information is not currently held centrally and could not be obtained except at disproportionate cost. Various estimates have been provided by organisations supporting or arguing against hunting with hounds. However, it will be for Parliament to determine how to take forward any further detailed work on the likely effects of a decision to ban hunting with hounds.

DUCHY OF LANCASTER

Devolution Referendums

Ms Hodge: To ask the Chancellor of the Duchy of Lancaster what will be the role of civil servants in the referendum campaigns on devolution. [10247]

Mr. Kilfoyle: The Government have today issued guidance to civil servants on their role and conduct during the devolution referendum campaigns. The guidance provides a generic set of principles which individual Departments can incorporate into guidance tailored to their particular needs and situations. It stresses that civil servants should conduct themselves in accordance with the civil service code, and is based on the need to maintain the political impartiality of the civil service and to ensure that public resources are not used for party political purposes. Copies of the guidance have been placed in the Libraries of the House, and are also available from the Vote Office.

Civil Service Report

Ms Hodge: To ask the Chancellor of the Duchy of Lancaster when he expects to publish the second annual "Civil Service Fast Stream Recruitment" report. [10246]

Mr. Kilfoyle: The annual "Civil Service Fast Stream Recruitment" report was placed in the Libraries of the House earlier today. It covers the year to 31 March 1997, reporting the results of fast stream competitions completed during that period and action undertaken for future competitions.

The report shows that the civil service continues to attract a strong field of applicants for both generalist and specialist schemes. The diversity of sources from which recruits are drawn continues to grow, with successful candidates from more than 60 different higher educational institutions. Good progress has also been made towards the goal of increasing the proportion of recruits to the generalist scheme who have scientific degree backgrounds.

Ethnic Minorities

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster how many and what percentage of employees in the Government Car and Despatch Agency are (i) of Asian origin and (ii) of Afro-Caribbean origin. [8930]

Dr. David Clark: Responsibility for this matter has been delegated under the terms of the framework document to the Government Car and Despatch Agency. I have asked its chief executive, Mr. Nick Matheson, to write to my hon. Friend.

Letter from Nick Matheson to Mr. Keith Vaz, dated July 1997:

I have been asked by the Chancellor of the Duchy of Lancaster to reply to your Parliamentary Question on the number and percentage of employees in the Government Car and Despatch Agency who are of Asian or Afro-Caribbean origin.

Our records show that the Agency currently employs 2 people of Asian origin (0.78 per cent. of the work force) and 3 people of Afro-Caribbean origin (1.18 per cent. of the work force).

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster how many and what percentage of civil servants in each of grades one to five in his Department are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9569]

Dr. Clark: No employee in these grades in my Department has registered his or her origin as being Asian or Afro-Caribbean.

Civil Servants

Mr. Vaz: To ask the Chancellor of the Duchy of Lancaster how many civil servants there are on each pay band in his Department. [8942]

Dr. David Clark: This answer covers the Cabinet Office—Office of Public Service—and its executive agencies. Staff below the senior civil service are employed by grade and are shown as such. The figures at 1 July are as follows:

	Number
Office of Public Service (OPS)	
SCS	39
Grades 6 and 7	79
Senior Executive Officer (SEO) and equivalent	23
Higher Executive Officer (HEO) and equivalent	77
Executive Officer (EO) and equivalent	94
Administrative Officer (AO) and equivalent	88
Administrative Assistant (AA) and equivalent	34
Executive Agencies (Total)	
SCS	11
Grades 6 and 7	168
SEO and equivalent	135
HEO and equivalent	136
EO and equivalent	212
AO and equivalent	251
AA and equivalent	82
Industrial staff	601

Mr. Evans: To ask the Chancellor of the Duchy of Lancaster what guidelines exist to ensure that civil servants cannot work on a party political basis. [9071]

Dr. Clark: Civil servants are under a duty, laid down in the civil service code, to conduct themselves with integrity, impartiality and honesty, and in such a way as to deserve and retain the confidence of Ministers and to be able to establish the same relationship with those whom they may be required to serve in some future Administration. Ministers are also under a duty not to use public resources for party political purposes, to uphold the political impartiality of the civil service, and not to ask civil servants to act in a way that would conflict with the civil service code. In their private lives, civil servants must comply with restrictions on their political activities as set out in the civil service code and the civil service management code.

CABINET OFFICE

Millennium Exhibition

Mr. Clappison: To ask the Minister without Portfolio what research has been carried out into the number of visitors likely to attend the millennium experience. [6466]

Mr. Mandelson: Consultants to the Millennium Commission and the New Millennium Experience Company Ltd. have produced a broad range of estimates of visitor attendance. The limit on capacity is 17.7 million visits, a National Opinion Polls survey in December 1996 predicted 14 million visits by United Kingdom residents and the target in the current business plan is 12 million.

Mr. Maude: To ask the Minister without Portfolio how much money from private sector sponsorship has been raised for the millennium exhibition at Greenwich. [8028]

Mr. Mandelson: This information is currently commercially confidential. The New Millennium Experience Company Ltd. will publish a full account in due course.

Mr. Baker: To ask the Minister without Portfolio what contingency plans exist for the millennium experience budget in the event that ticket sales fail to reach £135 million. [6906]

Mr. Mandelson *[holding answer 7 July 1997]:* As already announced, we are extending the life of the Millennium Commission to enable it to meet its existing commitments to the millennium experience. Should these commitments unavoidably increase in the future, we will take further steps to ensure—through the lottery—that the commission is able to meet them. But it is our firm resolve that such action should not prove necessary; the Millennium Commission shares this resolve.

EDUCATION AND EMPLOYMENT

Class Sizes

Helen Jones: To ask the Secretary of State for Education and Employment what estimate he has made of *(a)* the average class size in schools in Warrington, North and *(b)* the number of primary school children in Warrington, North being taught in classes of more than 30 pupils. [9211]

Mr. Byers: For maintained primary schools in the Warrington, North parliamentary constituency in January 1997, the provisional estimates of the average class size and the number of pupils in classes of 31 or more pupils taught by one teacher were 27.9 and 3,822 respectively.

Jobcentres

Ms Perham: To ask the Secretary of State for Education and Employment what is the Government's response to the second report of the Education and Employment Committee "Security of Staff in Jobcentres", HC 149, Session 1996–97. [10248]

Mr. Andrew Smith: A Command Paper outlining the Government's response has been published today and copies have been placed in the Library.

Welfare to Work

Mr. Rooney: To ask the Secretary of State for Education and Employment when he expects to announce the pilot areas for welfare to work. [9877]

Mr. Andrew Smith: The Secretary of State will announce the pathfinder areas for the new deal for 18 to 24-year-olds shortly.

Mr. Rooney: To ask the Secretary of State for Education and Employment if public sector bodies will be eligible for the wages subsidy element of his Department's welfare-to-work proposals. [9817]

Mr. Alan Howarth: The success of the new deal will depend on effective partnerships in which all sections of local communities, including the private, public and voluntary sectors, play a full and relevant part. The precise role of the public sector in the employment option of the new deal is one of a number of issues we are currently considering. We will announce the outcome shortly.

Mr. Martyn Jones: To ask the Secretary of State for Education and Employment if he will examine the potential role of horticultural training within the welfare-to-work programme; and if he will make a statement. [8486]

Mr. Howarth: In our new deal for young and long-term unemployed people, we intend to offer the widest possible range of opportunities for people to gain skills and improve their employability. Education and training will be guaranteed for all those participating in any of our four options of help. We want organisations from all sectors to join in our crusade to get people off benefits and into jobs, and I hope that the horticultural sector, like all others, will respond to this challenge. It is also possible under current arrangements to train to national vocational qualification level 2 and above in horticulture, under training for work.

Mr. Fitzpatrick: To ask the Secretary of State for Education and Employment how many people in the boroughs of Newham and Tower Hamlets will benefit from the welfare-to-work initiative. [9006]

Mr. Smith: It is not possible to give an accurate estimate of the number who will benefit from the new deal over the period of its implementation. All young people who are eligible, or who become so, will be offered opportunities to participate in a job, training or useful work experience.

School Exclusions

Mr. Burstow: To ask the Secretary of State for Education and Employment how many children with statements of special educational needs were permanently excluded from schools in England in *(a)* 1993–94 and *(b)* 1994–95; and what each figure was as a proportion of the total number of children permanently excluded from schools. [8725]

Ms Estelle Morris: Returns to the Department recorded a total of 1,287 pupils with statements of special educational needs as having been permanently excluded from mainstream schools during the 1994–95 school year; a further 477 pupils with statements were excluded from special schools. These figures represent 12.6 per cent. of the exclusions from mainstream schools and 96.8 per cent. of the exclusions from special schools.

Information on how many pupils with a statement of special educational needs were permanently excluded in 1993–94 is not available.

University for Industry

Mr. Rooney: To ask the Secretary of State for Education and Employment what is the time scale for the establishment of the university for industry; what is the process for evaluation of bids; if it will be a single or multi-site operation; and which officials in his Department are charged with bringing it into effect. [9912]

Dr. Howells: I hope to make an announcement shortly about our plans for developing the university for industry. The process for taking forward the development work, including any possible bidding procedures, has yet to be determined. The university for industry is a virtual institution and will not have a headquarters in the conventional sense. It is likely to have a core administrative centre, but it is too early to say where this might be located. Responsibility for work on the university for industry rests with my individual learning division.

Education Standard Spending Assessment

Ms Walley: To ask the Secretary of State for Education and Employment if he will list for each of the last five years the standard spending assessment per pupil for education for each local education authority. [7366]

Mr. Byers: The information requested is contained in a number of tables, copies of which have been placed in the Library.

University Entrants

Sir Teddy Taylor: To ask the Secretary of State for Education and Employment how many pupils were accepted into each university from *(a)* private schools and *(b)* state schools for each year since 1970. [8772]

Dr. Howells: The information requested is not compiled centrally. Available information at the sector level is published in the Universities and Colleges Admissions Service annual report, the latest of which shows the following:

Previous educational establishment of home applicants accepted for 1996 entry in the UK

	HND/dipHE courses	*Degree courses*
Maintained (incl sixth form colleges)	6,791	112,440
Independent	742	29,264
Other[1]	9,286	69,658
Not known	4,967	35,141
Total	21,786	246,503

[1] Includes further education institutions, higher education institutions and other establishments.

Benefits (Postal Claimants)

Mr. Rooney: To ask the Secretary of State for Education and Employment how many claimants were postal claimants and what percentage this was of the whole in each standard region in each quarter since April 1995. [7764]

Mr. Alan Howarth *[holding answer 10 July 1997]:* Responsibility for the subject of the question has been delegated to the Employment Service under its chief executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Terry Rooney, dated 21 July 1997:

The Secretary of State has asked me to reply to your question about postal claimants. This is something that falls within the responsibility delegated to me as Chief Executive of the Agency.

The figures that you have requested are only available up to the second quarter of 1996. This information is provided in table 1. Subsequently, a one off account was made on 24 February 1997 and these results are shown below in table 2.

I hope this is helpful.

Table 1: Numbers of claimants, postal claimants and the percentage of total claimants using the postal facility

1995	*2nd quarter*			*3rd quarter*			*4th quarter*		
Regions	*Total claimants*	*Postal claimants*	*Percentage of total signing by post*	*Total claimants*	*Postal claimants*	*Percentage of total signing by post*	*Total claimants*	*Postal claimants*	*Percentage of total signing by post*
London and South-east	722,000	32,230	4.5	732,000	32,811	4.5	688,000	29,663	4.3
South-west	164,000	17,669	10.8	164,000	15,964	9.7	158,000	15,478	9.8
West Midlands	209,000	4,462	2.1	215,000	4,472	2.1	196,000	4,116	2.1
East Midlands and Eastern	214,000	21,094	9.9	215,000	17,353	8.1	200,000	12,285	6.1
Yorkshire and the Humber	206,000	12,244	5.9	211,000	12,154	5.8	198,000	11,935	6.0
North-west	253,000	5,085	2.0	257,000	4,804	1.9	238,000	4,215	1.8
Northern	147,000	4,703	3.2	149,000	4,539	3.0	143,000	4,272	3.0
Office for Wales	105,000	9,869	9.4	110,000	9,957	9.1	104,000	9,825	9.4
Office for Scotland	201,000	27,570	13.7	211,000	26,966	12.8	193,000	26,926	14.0

1996	*1st quarter*			*2nd quarter*		
Regions	*Total claimants*	*Postal claimants*	*Percentage of total signing by post*	*Total claimants*	*Postal claimants*	*Percentage of total signing by post*
London and South-east	704,000	28,298	4.0	660,000	24,382	3.7
South-west	167,000	15,450	9.3	150,000	11,506	7.7
West Midlands	205,000	4,067	2.0	193,000	3,320	1.7
East Midlands and Eastern	217,000	9,882	4.6	200,000	8,230	4.1
Yorkshire and the Humber	211,000	12,239	5.8	194,000	10,726	5.5
North-west	253,000	4,427	1.7	238,000	3,787	1.6
Northern	148,000	4,408	3.0	138,000	4,034	2.9
Office for Wales	111,000	9,855	8.9	103,000	9,026	8.8
Office for Scotland	208,000	29,855	14.4	197,000	26,196	13.3

Source:

Postal Claimants—Resources Monitoring System Database.

Total claimants; Department of Social Security—rounded to the nearest thousand.

Table 2

	Postal claimants in each Region 24 February 1997	*Percentage of total claimants signing by post*
London and South-east	6,393	1.2
South-west	2,320	1.9
West Midlands	1,045	0.7
East Midlands and Eastern	958	0.6
Yorkshire and the Humber	3,654	2.2
North-west	255	0.1
Northern	1,556	1.3
Office for Wales	2,883	3.2
Office for Scotland	11,853	6.8

Source:
Office for National Statistics and Jobseeker's allowance operational support.

Mandatory Maintenance Grants

Mr. Willis: To ask the Secretary of State for Education and Employment what proposals he has to end mandatory maintenance grants for students. [8648]

Dr. Howells: The national committee of inquiry into higher education has been considering possible future arrangements for student support and is due to report shortly. The Government will set out their detailed proposals in the light of the committee's recommendations.

FOREIGN AND COMMONWEALTH AFFAIRS

Turkey

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Government of Turkey on their policy on human rights. [9189]

Mr. Doug Henderson: My right hon. Friend the Foreign Secretary met the new Turkish Foreign Minister at the NATO Madrid summit, on 8 July. They discussed a broad range of issues, including a long exchange on human rights. He was encouraged by Mr. Cem's recognition of the need for progress on this issue.

Law of the Sea Convention

Mr. Ronnie Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs when the United Kingdom will accede to the 1982 United Nations Convention on the law of the sea; and if he will make a statement. [10101]

Mr. Robin Cook: We have decided to accede to the convention later this month. The convention has many advantages for the United Kingdom as a maritime nation with worldwide trading and other interests. The convention includes important environmental provisions. Accession will enable the United Kingdom to play a leading role in the institutions established under the convention.

The United Kingdom's fishery limits will need to be redefined based on St. Kilda, since Rockall is not a valid base point for such limits under article 121(3) of the convention. An Order in Council will be made at the first opportunity. Thereafter we shall seek to agree a fisheries boundary with the Republic of Ireland.

Further legislation may be needed in due course if British industry wishes to mine the deep sea bed under the terms of the convention and the agreement on the implementation of part XI of the convention. We shall also ratify the latter agreement, which fully meets the objections to the original terms of part XI.

PRIME MINISTER

Lockerbie

Mr. Dalyell: To ask the Prime Minister, pursuant to his oral answer of 16 July, *Official Report*, columns 387–88, for what reasons the letter from the Governments of the United Kingdom, France and the United States of America in reply to that from the Secretary-General of the Arab League, the Organisation of African Unity and the UN Security Council was not in the Library at 4 pm on 16 July; when he requested the letter be forwarded to the House; and when the letter was dispatched. [9797]

The Prime Minister: A copy of the letter is available in the Library. The Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), has written to my hon. Friend.

Horse Racing

Mr. Cohen: To ask the Prime Minister if he will transfer overall governmental responsibility for issues connected with horse racing to the Department for Culture, Media and Sport; and if he will make a statement. [9842]

The Prime Minister: I have no plans to do so.

Political Advisers

Mr. Tyrie: To ask the Prime Minister when he plans to reply to the question of 10 June from the hon. Member for Chichester on the appointment of political advisers not paid from public funds. [9601]

The Prime Minister: I will be in a position to reply to the hon. Member's previous question shortly.

DEFENCE

Civil Servants

Mr. Vaz: To ask the Secretary of State for Defence how many civil servants there are on each pay band in his Department. [8966]

Mr. Spellar: This is a matter for the chief executive of the Pay and Personnel Agency. I have asked the chief executive to write to the hon. Member.

Letter from M. A. Rowe to Mr. Keith Vaz, dated 21 July 1997:

I am replying to your question to the Secretary of State for Defence regarding an analysis of the number of MOD civil servants by paybands. This matter falls within my area of responsibility as Chief Executive of the Pay & Personnel Agency.

The information requested is contained in the table attached to this letter which I hope you find helpful.

Pay band analysis of MOD industrial and non-industrial civil servants as at 1 April 1997[1]

Annual basic pay and allowances[2]	*Number of civil servants*		
	Full Time	*Part Time*	*Total*
Pay bands			
£0 to £10,000	27,541	3,908	31,449
£10,001 to £20,000	47,263	527	47,790
£20,001 to £30,000	16,449	39	16,488
£30,001 to £40,000	2,719	4	2,723
£40,001 to £50,000	650	0	650
£50,001 to £60,000	180	0	180
£60,001 to £70,000	33	0	33
£70,001 to £80,000	13	0	13
£80,001 to £90,000	9	0	9
£90,001 to £100,000	1	0	1
£100,000 upwards	1	0	1
Totals	94,859	4,478	99,337

[1] The figures exclude staff employed by the MOD trading fund organisations i.e. the Defence Evaluation and Research Agency, the Meteorological Office and the Hydrographer.

[2] Pay has been banded on basic annual salaries and allowances (or their weekly equivalents) but excluding non-pensionable emoluments such as overtime earnings.

Navy Surface Vessels

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will list those surface vessels of the Royal Navy which will need replacing in the next five years; and what the estimated replacement costs are. [8182]

Mr. Spellar: Over the next five years, we plan to bring into service three type 23 frigates to replace two type 22 frigates, HMS Boxer and HMS Beaver, and one type 42 destroyer, HMS Birmingham. The value of the contract for these vessels is estimated at around £450 million. We will also bring into service two auxiliary oilers at the turn of the century. These vessels, for which the contract is worth around £200 million, will replace the aging O class fuel replenishment ships, RFA Olna and RFA Olwen. The two amphibious ships, HMS Fearless and HMS Intrepid, will be replaced early next century by HMS Albion and HMS Bulwark; the value of the contract for these vessels is estimated at £450 million.

We are considering how to replace the capabilities currently provided by the survey vessels HMS Herald, HMS Roebuck, HMS Bulldog and HMS Beagle and by two of our landing ships logistic, RFA Sir Geraint and RFA Sir Percivale.

HMY Britannia will be decommissioned at the end of this year. The Government are currently considering the requirement for a replacement royal yacht and will announce their decision in due course.

Defence Export Services Organisation

Mr. Key: To ask the Secretary of State for Defence if the Defence Export Services Organisation will be included in the strategic defence review. [6840]

Mr. Spellar: Consideration of the support to defence exports will form part of the strategic defence review.

Rapid Reaction Corps

Mr. Keith Simpson: To ask the Secretary of State for Defence what the British contribution to NATO's Allied Command Europe Rapid Reaction Corps is in cash terms in the current financial year; and what it is as a proportion of the defence budget. [8185]

Dr. Reid: The estimated cost of UK forces assigned to the ARRC, and the headquarters costs, is some £2 billion in the current financial year, or some one tenth of the defence budget. These forces include 1 and 3 Divisions, 24 Airmobile Brigade and support troops, which could contribute to a number of missions, under both NATO and non-NATO command, in support of the Government's security and defence policies.

Ethnic Minorities

Mr. Keith Simpson: To ask the Secretary of State for Defence how many members of the ethnic minorities have been appointed to the ranks of one, two, three or four-star officers in the *(a)* Royal Navy, *(b)* Royal Marines, *(c)* Army and *(d)* Royal Air Force since 1967. [7829]

Mr. Spellar: There is currently one one-star officer from the ethnic minorities in the RAF and none in the Royal Navy, Royal Marines or Army, although a one-star officer recently retired from the Army. This reflects the under-representation of the ethnic minorities in the armed forces, a position we are seeking to redress. A new management-led, self-classification survey of the ethnic origin of serving personnel was introduced in July 1996. Prior to this date records cannot be relied on.

Vacant Dwellings

Ms Squire: To ask the Secretary of State for Defence how many dwellings owned by the Ministry of Defence in the Rosyth and Pitreavie area are currently vacant; of these how many have been vacant for *(a)* less than six months, *(b)* six to 12 months, *(c)* up to two years and *(d)* over two years; and what are his Department's plans for the disposal of these properties, and over what period. [8990]

Mr. Spellar: All but one of the 81 houses of the service families accommodation site at Pitreavie are empty, due to the closure in July 1996 of RAF Pitreavie Castle and RAF Turnhouse. Forty-three houses have been empty for 12 months and 37 for 18 months.

The Ministry of Defence originally planned to market the houses with the RAF station as a package. More recently, and because no prospective purchaser has been found, it has been decided to market the houses individually and sales will proceed as quickly as possible.

The Rosyth estate comprises 269 houses of which 147 are empty. One hundred and four have been empty for between one and two years and 43 have been empty for over two years. A total of 108 of the 147 are currently being advertised for sale in blocks or on an individual basis. These sales will take place as market demand permits.

Reserve Forces

Mr. Hancock: To ask the Secretary of State for Defence how many payments he has made to employers following call-out or recall of reserves in the last year for which figures are available. [9417]

Mr. Spellar: Provisions for making payments to the employers of reservists were introduced under regulations which came into force on 1 April this year. Since then, 10 payments have been made to employers, and a further 12 are being processed. Up to 16 July, claims had been agreed for some £7,000. Further claims amounting to some £14,000 are being considered.

Mr. Hancock: To ask the Secretary of State for Defence what is the current strength of the reserve forces by type. [9418]

Mr. Spellar: The most recent complete figures are for 1 April 1997. These are as follows:

Strength of reserve forces at 1 April 1997

	Number
Royal Fleet Reserve	8,900
Royal Naval Reserve	2,700
Royal Marines Reserve	900
Army Reserve	190,100
Territorial Army	57,600
Air Force Reserve	45,300
Royal Auxiliary Air Force	1,400

Employment Advertisements

Ms Perham: To ask the Secretary of State for Defence how often since 1992 his Department has been responsible for employment advertisements which contained age restrictions on those who could apply. [9507]

Mr. Spellar: It is my Department's policy that age limits must not appear in external recruitment advertisements for civilian personnel. Exceptions to this rule are references to retirement ages or where a minimum recruitment age can be fully justified in terms of allowing the Department time to benefit from the expected training investment. The Department does not hold a central database of employment advertisements for civilians and it is therefore not possible, except at disproportionate cost and effort, to check whether any of these may have contained an age restriction other than the permitted exceptions.

As a general principle, the armed forces require recruits aged between 16 and 26 years, although in some trades older applicants are acceptable. Approximately 90 per cent. of advertising for recruiting individuals into the services make references to these age restrictions.

Land Mines

Mr. Key: To ask the Secretary of State for Defence what is the location of each of the 12 British anti-personnel land mines known still to be in Iraq following the Gulf conflict; what is their type and specification; what steps he is taking to ensure they are cleared; and what estimate he has made of the total number unaccounted for in Iraq. [9665]

Dr. Reid: According to currently available information, 12 C3A1 anti-personnel land mines, commonly known as Elsies, were used in Iraq and not subsequently recovered. Consistent with the provisions of international law current at the time, details of their precise locations were not recorded in view of the nature of the operations. Given the current circumstances in Iraq, it would not be practical to attempt now to clear them. My Department is trying urgently to establish whether any further anti-personnel land mines used by British forces in the Gulf conflict remain unaccounted for.

Bosnia (Road Traffic Accidents)

Mr. Swayne: To ask the Secretary of State for Defence how many service men and women have been *(a)* killed and *(b)* seriously injured in road traffic accidents while serving in Bosnia since the end of hostilities following the Dayton accord. [9315]

Dr. Reid: Since the deployment of the implementation force on 20 December 1995, three British soldiers have died and six have been listed as seriously ill or very seriously ill as a result of road traffic accidents in Bosnia. With treacherous weather and poor roads, conditions are very challenging, demanding a high degree of skill from drivers. Those military personnel required to drive vehicles in Bosnia undertake pre-deployment driving training to prepare them for the conditions there. The dangers are taken very seriously and an active information campaign ensures that all personnel are reminded of the need to drive with great care.

LORD CHANCELLOR'S DEPARTMENT

Court Delays

30. **Mr. Stunell:** To ask the Parliamentary Secretary, Lord Chancellor's Department what measures he proposes to reduce delays in the criminal justice system; and if he will make a statement. [7530]

Mr. Hoon: The introduction of plea and directions hearings in the Crown court continues to reduce delays. In the magistrates courts, the Magistrates' Courts (Procedure) Bill introduced recently by the Lord Chancellor will speed up the progress of half a million minor motoring cases per year. Generally, the Government are considering the scope for reductions in delays in the criminal courts suggested by the review of delay in the criminal justice system, and there will be a further announcement in due course.

Magistrates Courts

35. **Mr. Soames:** To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has for the reorganisation of magistrates courts in West Sussex. [7536]

Mr. Hoon: I have no such plans.

38. **Mr. Bill O'Brien:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on his Department's criteria relating to the merger of magistrates courts. [7540]

Mr. Hoon: Magistrates courts are locally managed by magistrates courts committees under the provisions of the Justices of the Peace Act 1997. Decisions concerning the future and number of magistrates courts in their area for the relevant MCCs to determine. A local authority that contributes financially may appeal to the Lord Chancellor against a proposed closure. The procedure for such appeals is set out in section 56 of the Justices of the Peace Act 1997. Accordingly, as with any appellate authority, each case is dealt with on its merits.

In the absence of an appeal, however, the Lord Chancellor plays no part in the process.

Mr. Burns: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the number of magistrates courts in the county of Essex. [7533]

Mr. Hoon: There are 13 court houses and 13 petty sessional divisions in Essex. Decisions concerning the future and number of magistrates courts in the area are for the relevant magistrates courts committees to determine. Essex MCC has issued a consultation document to magistrates and to the paying authority to review the arrangement of petty sessional divisions in the county.

Private Finance Initiative (Magistrates Courts)

Mr. Mackinlay: To ask the Parliamentary Secretary, Lord Chancellor's Department if the Essex magistrates courts committee will be permitted to specify when embarking on a PFI initiative the broad geographical location and number of court houses it requires from those providing the PFI initiative. [9876]

Mr. Hoon: It is an important principle of the PFI process that potential providers are given as much freedom as is possible to develop their ideas on how best to meet the operational requirements of the magistrates courts committee. The MCC will be able to indicate the broad geographical areas in which court houses should be located, but as far as is possible should refrain from specifying the number of court houses to be provided.

Consumer Protection

Mrs. Gillan: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his answer of 10 July, *Official Report,* column *535,* on consumer protection rights, if he will list the members of the working group on rights and duties in respect of representative actions. [9703]

Mr. Hoon: Invitations to join the working group have been sent out. Copies of the list of members of the working group will be placed in the Libraries of both Houses as soon as acceptances to invitations have been received and the membership of the group finalised.

Civil Procedure Rules Committee

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department what are the names, qualifications and relevant experience of the members of the Civil Procedure Rules Committee. [8579]

Mr. Hoon: The members of the Civil Procedure Rules Committee are:

Lord Woolf, Master of the Rolls, chairman.
Sir Richard Scott, Vice-Chancellor
Mr. Justice Anthony May
Judge Richard Holman
District Judge Godfrey Gypps
Master Harman John Leslie
Henrietta Manners
David Foskett QC
Nicholas Chambers QC
Peter Howarth
Peter Watson
David Greene
Harriet Kimbell
Olivia Morrison-Lyons

Their relevant experience and professional qualifications are as follows:

Mr. Justice May

Appointed as a Judge of the Supreme Court, Queen's Bench Division in 1991. Presently judge in charge of the Queen's Bench list.

Judge Holman

Circuit judge. Appointed as an Assistant Recorder in 1998 and to the Circuit bench in 1994.

District Judge Gypps

Appointed as a District Judge in 1991.

Master Leslie

Master of the Supreme Court, Queen's Bench Division since 1996.

Nicholas Chambers QC

Barrister, called 1966. Mr. Chambers took silk in 1985. He sits as a Recorder and as a deputy High Court judge. He has a general common law practice with a commercial emphasis.

David Foskett QC

Barrister, called in 1972. Mr. Foskett took silk in 1991. His professional experience lies in the common law and commercial field, primarily in the Supreme Court. He sits as a Recorder.

Henrietta Manners

Barrister with particular experience of practice in county courts. Called in 1981. She has been a member of the County Court Rule Committee since 1991.

David Greene

Solicitor, admitted in 1980. Mr. Greene is the senior litigation partner at Messrs Edwin Coe, Solicitors, Lincoln's Inn.

Peter Watson

Solicitor, admitted in 1981. Mr. Watson is a partner with Messrs. Allen and Overy, specialising in High Court commercial and administrative law litigation.

Peter Haworth

Solicitor with particular experience of practice in county courts. Admitted 1975. Mr. Haworth is a litigation partner with Messrs Southern Cooper, Solicitors, of Burnley Lancashire. He was a part-time chairman of the Social Security Appeals Tribunal from 1986 to 1992. He sits as a deputy district judge.

Olivia Morrison-Lyons

Ms Morrison-Lyons was a manager of Camden CAB from 1982–93. She was a member of the Citizens Advice Bureaux Management Committee for 10 years.

Harriet Kimbell MBE

Mrs. Kimbell is a non-practising solicitor. She has been a member of the Council of the Consumers Association since 1988 and is now Deputy Chairman. She was a non-executive director of Which? Ltd. from 1990 to 1993 and in 1994–95. She is a principal lecturer at the College of Law where she teaches consumer law.

Family Law Act 1996

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list those organisations which are funded by his Department to *(a)* promote marriage, *(b)* carry out marriage counselling, *(c)* provide mediation services and *(d)* carry out research into the

causes of marital breakdown, giving the total funding in each case and indicating which projects are pilot projects under the Family Law Act 1996. [8786]

Mr. Hoon: The tables show my Department's provision of core funding, pilot funding and research funding by way of grant in aid in the current financial year to marriage support and research organisations.

All projects for the provision of publicly funded mediation services under the Act are the responsibility of the Legal Aid Board. The overall funding commitment is not yet settled as schedules of payment are currently being negotiated with 37 mediation services and solicitors' practices.

Funding for marriage support and research organisations—1997–98 financial year

	£
1. RELATE	1,898,620.00
2. One Plus One	167,000.00
3. Tavistock Marital Studies Institute (TMSI)	375,435.00
4. Jewish Marriage Council	16,912.60
5. Marriage Care	263,770.00
6. Family Welfare Association	23,458.25

Funding for marriage support pilot and research projects 1997–98 financial year

Name	*Project*	*Grant £*
RELATE	Helpline	58,250.00
One Plus One	Marital support to couples with children	55,570.00
TMSI	Psychotherapy at GPs' surgeries	10,550.00
Marriage Care	Helpline, drop-in counselling, marriage preparation	67,214.00
Family Welfare Association	Marriage support for Asian communities, helpline	72,550.00
Marriage Resource	National Marriage Week 1998, media campaign	126,900.00
Marriage Resource (Glossop & District)	Marriage preparation	11,228.00
African Caribbean Family Mediation Service (Brixton) and London Marriage Guidance	Helpline, and drop-in counselling service	89,190.00
The Light House (Christian Care Ministry)	Marriage support	29,580.00
One Plus One	Research project—Review papers to provide resource base for policy development	79,150.00
All Souls College Oxford	Research project—Models of marriage	42,751.00
Total		642,933

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the proposed commencement dates of each section of the Family Law Act 1996; and if he will make a statement. [8787]

Mr. Hoon: Sections 65 and 67 came into force on the passing of the Act.

On 21 March 1997, the following provisions came into force:

(a) part I (principles of Part II and III);

(b) section 22 (marriage support services);

(c) part III (legal aid for mediation in family matters);

(d) section 66(1) (minor and consequential amendments) so far as it relates to part II of schedule 8; and

(e) section 66(3) (repeals) so far as it relates to the entry in schedule 10 in respect of the Legal Aid Act 1988(b).

With the exception of section 60, part IV will commence on 1 October 1997.

There is not yet a proposed commencement date for the remainder of parts II, IV and V.

Medical Negligence

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department how many medical negligence cases have been *(a)* commenced and *(b)* finalised under the Birmingham county court medical negligence cases pilot scheme; and if he will make a statement. [8586]

Mr. Hoon: The question concerns a matter which has been assigned to the Court Service under the terms of its framework document. I have therefore asked the chief executive to write to the hon. Member.

Letter from M. D. Huebner to Mr. Andrew Dismore, dated 21 July 1997:

The Parliamentary Secretary of the Lord Chancellor's Department has asked me to reply to your Question about the medical negligence cases pilot scheme at Birmingham County Court.

Since the scheme began on 1 October 1996 one case has commenced and none has been finalised.

Divorce Settlements, Scotland

Mr. Leigh: To ask the Parliamentary Secretary, Lord Chancellor's Department what assessment the Lord Chancellor's Advisory Committee on Ancillary Relief has made of the applicability to England and Wales of the system of divorce settlements, which currently operates in Scotland. [8790]

Mr. Hoon: The Lord Chancellor's Advisory Group on Ancillary Relief discussed the extension of the Scottish system of financial provision on divorce to England and Wales at a meeting at the end of May 1996. At that meeting, the group concluded that it was not in a position to undertake a more comprehensive review. The Lord Chancellor's Department is assessing how further consideration can now most effectively be given to this matter.

HEALTH

Primary Care Legislation

Mr. Jack: To ask the Secretary of State for Health if he will make a statement setting out the timetable he will now be following to introduce the pilot schemes under primary care legislation. [6748]

Mr. Milburn: We propose to establish a range of pilots concerned with improving the direct provision of personal medical services from 1 April 1998. In order to give everyone equal opportunity to consider how local

initiatives can be best taken forward, we have extended the closing date by which formal applications have to be with health authorities by one month. We also propose to establish a number of personal dental services pilots in October 1998 to test new ways of delivering primary care dentistry and addressing local oral health priorities.

The revised timetable for the implementation of the personal medical services pilots is given in the table.

	Closing date
Formal applications for salaried service employment and practice based contracts, which have been consulted on, to be with health authorities by	1 November 1997
Notification of approval from the Secretary of State	December 1997
Negotiations of local contracts	December–March 1998
Pilots for salaried service employment and practice based contracts to begin	1 April 1998

GP Fundholding

Mr. Campbell-Savours: To ask the Secretary of State for Health what information his Department collates on the sums of money held at the year end by each fundholding practice. [7725]

Mr. Milburn: Fundholding practices' saving balances are published in their fund accounts. The Department draws on this information as necessary, but does not routinely collate it at practice level.

Benzodiazepines

Dr. Naysmith: To ask the Secretary of State for Health if he will carry out an inquiry into the number of people in England and Wales involuntarily addicted to benzodiazepines; and if he will make a statement. [8498]

Mr. Milburn: There are currently no plans to carry out such an inquiry. The principal focus of the Department's action in this area has been to try to prevent addiction occurring by warning general practitioners and other prescribers of the dangers of involuntary addiction to benzodiazepines. The Department funds a number of publications that are available to general practitioners, pharmacists and other health professionals—for instance, the British National Formulary and a Medicines Resource Centre monthly bulletin, which give information on the treatment of various conditions and the drugs involved in such treatment.

In 1994, the Department agreed to fund a helpline run by the Council for Involuntary Tranquilliser Addiction, a voluntary organisation which aims to support those who wish to withdraw from tranquillisers and sleeping tablets. CITA was provided with funding of £10,000 in 1994–95, £10,000 in 1995–96 and £10,000 in 1996–97. In addition, the Department continues to fund the mental health charity MIND, which operates local self-help groups for people dependent on tranquillisers.

Family Planning

Mr. Clifton-Brown: To ask the Secretary of State for Health if he will list each health authority's expenditure plans in respect of family planning for the current financial year, indicating the percentage difference from expenditure in the previous financial year. [8848]

Ms Jowell: Information on the detail of health authority expenditure plans is not collected centrally. Information on expenditure by trusts and directly managed units is available and figures for 1994–95 and 1995–96, the latest years for which data are available, have been placed in the Library.

Public Health Initiatives

Ms Walley: To ask the Secretary of State for Health if he will list the public health initiatives planned by his Department *(a)* in Stoke-on-Trent, North and *(b)* nationally. [8877]

Ms Jowell: In Stoke-on-Trent, North, the health authority has established a locality approach to developing healthy communities through involving a wide range of statutory and local community organisations. The report of the director of public health this year will focus on "determinants of health". A wide range of public health initiatives is already under way in North Staffordshire, and many more have been identified as priorities by the health authority for 1997–98.

Key priorities include:

- Implementation of the coronary heart disease strategy—a priority for 1997–98 as identified in the Health Authority's health strategy and investment plan;
- Continuation of the Aspirin project, to reduce stroke and heart attacks, in primary care—which has already achieved 60 per cent. coverage of eligible practice populations in 1996–97;
- Strategy for healthy eating—December 1997;
- Review of existing initiatives aimed at helping people to stop/not take up smoking, and identifying action to meet any "gaps";
- Development and implementation of a stroke action plan to be based on GRIP kits—getting research into practice—to provide cost-effective care and to maximise clinical effectiveness, planned for autumn 1997;
- Strategy for promotion of physical exercise;
- Action plan to develop drug and alcohol services—review and agree action to co-ordinate use of HIV and substance misuse funds;
- Multi-agency action plan to promote sexual health, especially for young people;
- Multi-agency accident prevention steering group which is developing a strategy—autumn 1997.

Additional points include:

- The appointment of a healthy cities co-ordinator—a joint appointment between the health and local authority through their "healthy alliances" links—who will look at public health initiatives across the board;
- Single regeneration bid-funded initiatives—for instance, in 1997–98: community development worker for Biddulph, citizens advice bureau youth advice worker for Bentilee and Berryhill, urban villages community partnership based at Newcastle under Lyme.

Nationally, the Government will be taking forward the public health agenda across a broad front. I outlined the scope of our new health strategy "Our Healthier Nation" on 7 July; copies of my speech are available in the Library. In the autumn, we shall publish a Green Paper setting out the strategy in detail. Many Government policies will contribute to improving public health, such as welfare to work, education policies and the integrated

transport strategy. The Department of Health is working closely with the other Departments involved, as it is in partnership with the Ministry of Agriculture, Fisheries and Food on developing the food standards agency. In the autumn, we shall publish a White Paper on measures to reduce smoking and draft Bill to ban tobacco advertising. Healthy living centres and health action zones will also address public health issues.

Microbiological Research

Mr. Key: To ask the Secretary of State for Health if he will place in the Library a copy of the submissions made to him under the quinquennial review from the Microbiological Research Authority Board and the management of the Centre for Applied Microbiology and Research; and if he will make a statement. [9096]

Ms Jowell: The management of the Centre for Applied Microbiology and Research will send a copy of the final submission to the hon. Member when it is ready. This may take another week or so.

My announcement of the review of the centre mentioned that the views of the key organisations and individuals would be sought. Letters of consultation have now been sent out. A scientific team including expert external members will visit the centre at the end of this month to assess the research work commissioned by the Department at the centre. The main research funding bodies have also been invited to comment. A number of management consultancy organisations have submitted tenders for the work of assessing options for the future of the centre. Those tenders are currently being evaluated and consultants will be commissioned to begin work by the end of this month.

I will make a further statement when there are substantial findings to report, and will place copies of the summary of the review report in the Library in due course.

Multiple Births

Mr. Wigley: To ask the Secretary of State for Health how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in England in each year since 1990; and how many multiple births in each category were conceived as a result of (i) in vitro fertilisation, (ii) gamete intra-fallopian transfer and (iii) other forms of assisted conception. [8175]

Ms Jowell: The information is not available in the form requested. The number of multiple maternities in England for the period 1990 to 1996 is shown in table 1.

Details of pregnancies achieved and births in the UK for the same period as the result of in vitro fertilisation or donor insemination, including gamete intra-fallopian transfer, are shown in tables 2 to 5.

Table 1: Maternities in England by multiplicity 1990–96

	1990	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*
Twins	7,533	7,739	7,888	7,896	8,014	8,320	8,166
Triplets	190	201	193	225	249	266	246
Quadruplets	9	10	8	11	8	6	8
Quintuplets	—	1	1	—	—	—	—
Sextuplets	—	—	—	1	—	—	—
Septuplets	—	—	—	—	—	—	1

Source:
Office for National Statistics.

Table 2: Pregnancies conceived from 1990 to 1994 through IVF or Donor Insemination

	Singleton	*Twin*	*Triplet greater*	*Quad or more*
IVF clinical pregnancies (includes frozen embryo transfer and ISCI)				
1990[1]	1,404	411	69	1
1991[2]	1,491	503	75	1
1992	2,109	709	118	0
1993	2,807	847	148	1
1994	3,064	1,009	197	3
1995	To be published in 1997 annual report			

Notes:

[1] Data collected by OPCS for the Interim Licensing Authority.

[2] Data for 1 January 1991 to 31 July 1991 collected by OPCS 1 August 1991 to 31 December 1991 collected by the HFEA.

Figures provided for UK as a whole.

Donor insemination clinical pregnancies (includes GIFT with donor sperm).

Source:

HFEA.

Table 3: Pregnancies conceived from 1990 to 1994 through IVF or Donor Insemination

	Singleton	*Twin*	*Triplet greater*	*Quad or more*
IVF Live births events (includes frozen embryo transfer and ICSI)				
1990	No figures available			
1991	No figures available			
1992	1,592	627	99	0
1993	2,164	790	134	1
1994	2,376	929	170	2
1995	To be published in 1997 annual report (October 1997)			

Source:
HFEA.
Note:
Figures provided for UK as a whole.
Donor insemination live birth events (includes GIFT with donor sperm).

Table 4

	Singleton	*Twin*	*Triplet greater*	*Quad or more*
1990	No data available			
1991[1]	545	31	3	0
1992	1,527	93	10	1

Table 4

	Singleton	Twin	Triplet greater	Quad or more
1993	1,678	123	[2]18	
1994	1,838	110	17	1
1995	To be published in 1997 annual report (October 1997)			

Notes:

[1] Data available from 1 August 1991 to 31 December 1991 only. Prior to 1 August 1991 data were collected by the OPCS and did not include Donor Insemination data.

[2] Includes three clinical pregnancies/live birth events which were reported as "triplet or greater".

Figures provided for UK as a whole.

Source:

HFEA.

Table 5

	Singleton	Twin	Triplet greater	Quad or more
1990	No figures available			
1991	No figures available			
1992	1,212	83	10	1
1993	1,387	112	[1]18	
1994	1,549	105	16	1
1995	To be published in 1997 annual report (October 1997)			

Note:

[1] Includes three clinical pregnancies/live birth events which were reported as "triplet or greater".

Source

HFEA

Figures provided for UK as a whole.

Chief Medical Officer (Stockport)

Mr. Bennett: To ask the Secretary of State for Health how many people work for the chief medical officer in Stockport health authority; and what is the average figure for similar-sized health authorities. [8694]

Mr. Milburn: The director of public health in Stockport is supported by a team of three consultants in public health medicine, two trainees on rotation and three and a half—whole-time equivalent—secretarial-support staff. This team has developed an extensive network of links with, for example, NHS trusts, the local authority, other government agencies and voluntary organisations, which contributes to health promotion and activities and public health issues. There are no comparable figures available for other authorities.

Eyesight Tests

Mr. Burstow: To ask the Secretary of State for Health how many free domiciliary sight test visits there were in *(a)* 1992–93, *(b)* 1993–94, *(c)* 1994–95 and *(d)* 1995–96, broken down by health authority. [8828]

Mr. Milburn: The information is given in the table. It reveals marked variations between years for some authorities for which no explanation was provided. This suggests that some returns may not have been audited and some data for individual authorities may be subject to error.

Number of domiciliary sight tests paid for by FHSAs in England

	1992–93	1993–94	1994–95	1995–96
Cleveland	2,050	2,150	2,380	2,510
Cumbria	690	870	1,080	1,080
Durham	2,950	3,100	3,330	3,710
Northumberland	1,400	1,560	1,700	1,550
Gateshead	460	950	940	1,420
Newcastle	890	920	1,540	2,100
North Tyneside	800	1,030	810	820
South Tyneside	530	530	580	800
Sunderland	1,100	1,220	1,610	1,480
Humberside	2,340	2,720	3,210	3,780
North Yorkshire	1,140	1,210	1,850	2,280
Bradford	1,440	2,060	2,680	3,110
Calderdale	460	510	270	810
Kirklees	1,280	1,400	1,580	1,560
Leeds	5,490	4,760	3,990	3,440
Wakefield	1,050	1,150	1,350	1,470
Derbyshire	3,330	3,420	4,180	3,880
Leicestershire	1,580	2,360	3,210	3,580
Lincolnshire	1,460	2,200	2,150	2,420
Nottinghamshire	2,700	2,960	4,080	5,060
Barnsley	960	880	690	1,310
Doncaster	780	790	730	1,140
Rotherham	750	710	1,100	1,180
Sheffield	1,710	1,840	2,380	3,130
Cambridgeshire	540	1,350	1,420	670
Norfolk	2,860	3,170	3,780	4,080
Suffolk	1,270	1,480	2,010	2,580
Bedfordshire	900	1,010	1,330	1,470
Hertfordshire	2,820	3,050	4,490	5,030
Barnet	1,150	1,260	2,140	2,090
Brent and Harrow	1,260	1,530	1,690	2,790
Ealing, Hammersmith and Hounslow	1,350	1,670	2,490	2,150
Hillingdon	420	460	950	930
Kensington, Chelsea and Westminster	2,910	1,350	1,630	830
Essex	6,560	7,330	8,210	8,010
Barking and Havering	970	970	1,590	2,230
Camden and Islington	1,390	1,550	2,420	2,200
City and East London	3,390	3,600	4,970	4,690
Enfield and Haringey	1,130	1,490	2,040	2,990
Redbridge and Waltham Forest	1,810	1,580	2,320	2,170
East Sussex	4,350	4,190	4,600	4,590
Kent	2,850	4,140	5,310	6,740
Greenwich and Bexley	630	870	1,350	1,460
Bromley	610	1,370	1,990	1,530
Lambeth, Southwark and Lewisham	3,170	3,640	4,790	6,740
Surrey	2,190	1,970	2,370	3,230
West Sussex	1,440	1,750	1,810	2,260
Croydon	630	1,150	20	40
Kingston and Richmond	620	580	780	1,130
Merton, Sutton and Wandsworth	1,290	1,600	2,590	3,490
Dorset	6,250	8,430	7,020	3,250
Hampshire	3,140	4,310	5,220	4,820
Wiltshire	2,620	1,330	1,330	1,560
Isle of Wight	210	260	280	220
Berkshire	1,070	1,010	1,390	1,780
Buckinghamshire	350	400	830	1,030
Northamptonshire	1,260	1,910	1,830	2,280
Oxfordshire	910	650	980	1,110
Avon	2,430	2,740	3,270	3,900
Cornwall and Isles of Scilly	910	730	1,350	1,770
Devon	2,900	3,570	5,200	6,700
Gloucestershire	1,260	1,600	1,650	1,990
Somerset	810	820	1,280	1,840
Hereford and Worcester	1,170	1,570	2,260	2,830
Shropshire	820	990	1,270	1,340

Number of domiciliary sight tests paid for by FHSAs in England

	1992–93	1993–94	1994–95	1995–96
Staffordshire	1,470	2,300	3,200	3,510
Warwickshire	1,140	1,600	1,260	1,930
Birmingham	4,610	2,400	5,150	5,720
Coventry	2,040	1,770	2,510	3,510
Dudley	940	1,470	1,600	1,480
Sandwell	2,250	1,740	1,620	1,590
Solihull	350	330	270	410
Walsall	870	1,180	870	1,020
Wolverhampton	880	860	990	1,210
Cheshire	1,450	2,590	2,160	3,260
Liverpool	2,050	3,400	3,200	3,560
St. Helens and Knowsley	750	1,220	1,820	2,030
Sefton	1,410	2,000	2,010	2,330
Wirral	1,240	1,110	1,120	1,240
Lancashire	3,510	6,510	7,740	9,420
Bolton	710	1,020	1,110	1,340
Bury	390	950	1,000	1,120
Manchester	1,570	2,490	3,260	3,420
Oldham	470	610	720	980
Rochdale	220	770	920	980
Salford	8,200	1,260	1,620	1,700
Stockport	490	730	790	730
Tameside	360	870	1,130	1,120
Trafford	910	1,570	1,510	1,630
Wigan	2,080	940	1,090	1,130
Total England	152,260	167,380	200,310	222,500

Source:
SBE515.

Basildon and Thurrock General Hospitals NHS Trust

Mr. Mackinlay: To ask the Secretary of State for Health, pursuant to his answer of 9 July, *Official Report*, column *504*, what was the nature of the work carried out by Drivers Jonas in respect of Orsett hospital. [8979]

Mr. Milburn: Information about the exact nature of the work carried out by the chartered surveyors Drivers Jonas in respect of Orsett hospital is not held centrally. However, the recent executive letter EL(97)35 "Making Available Information about PFI Projects" gave notice and guidance to trust and health and authority chief executives on requests for information on their private finance initiative schemes.

Provided the information is not commercially sensitive and its release is consistent with the EL, the information should be obtainable from the chief executive of the trust. Copies of the EL (97)35 have been placed in the Library.

Mr. Mackinlay: To ask the Secretary of State for Health, pursuant to his answer of 9 July, *Official Report*, column *505*, from whom the remuneration committee of the Basildon and Thurrock General Hospitals NHS trust board receives advice as to the appropriate pay, conditions and bonuses to be paid to its directors. [8980]

Mr. Milburn: Guidance on the role of the remuneration committee was issued to trust chief executives in national health service executive letter EL(94)40 on the codes of conduct and accountability. The NHS executive has also issued guidance (TEL(94)2 and TEL(95)1) to all NHS trusts on the principles and procedures to apply when considering severance payments to general and senior managers on short-term rolling contracts. Copies of all the guidance have been placed in the Library. Subject to these provisions, it is a matter for the remuneration committee to decide who it should take advice from.

Alcohol Abuse

Helen Jones: To ask the Secretary of State for Health what estimate he has made of the cost of alcohol abuse to the United Kingdom economy. [9218]

Ms Jowell: The most recent academic study of which we are aware estimated the cost of sickness absence to industry in England and Wales in 1992 as a result of alcohol misuse at £1,059.2 million.
(Source: Godfrey, C. and Hardman, G. Changing the Social Costs of Alcohol. Final report to the Alcohol Education and Research Council. York: Centre for Health Economics, 1994.)

Private Finance Initiative

Mr. Campbell-Savours: To ask the Secretary of State for Health if he will place in the Library copies of each of the PFI bids for NHS facilities as produced by each of the health care providers involved. [9873]

Mr. Milburn: The recent NHS executive letter EL(97)35 "Making Available Information about PFI Projects" gave notice and guidance to trust and health authority chief executives on requests for information on their PFI schemes. Copies of the letter have been placed in the Library.

Provided the information is not commercially sensitive and its release is consistent with the EL, the information should be obtainable from the chief executives of the trusts.

Insulin Pen Needles

Mr. Sanders: To ask the Secretary of State for Health, pursuant to his answer of 12 June, *Official Report*, column *530*, when he expects to have completed consideration of whether general practitioners should be allowed to prescribe insulin injection pen needles on the national health service. [9546]

Mr. Milburn: It is not possible to give an estimate at this stage in our consideration.

HIV-AIDS

Ms Roseanna Cunningham: To ask the Secretary of State for Health how many new HIV infections there have been in England and Wales among *(a)* intravenous drug-users, *(b)* heterosexuals and *(c)* homosexuals in the age groups (1) 16 to 25, (2) 26 to 35, (3) 36 to 45, (4) 46 to 55 and (5) over 55s by health authority (i) each year since 1985 and (ii) in total; if he will list the year-on-year change in each group in percentage terms; and if he will make a statement about the Government's targeting of HIV-AIDS prevention materials. [9222]

Ms Jowell: Tables showing diagnosed HIV infections reported to the public health laboratory service communicable disease surveillance centre, based on data to the end of June 1997, have been placed in the Library. Individuals often do not seek testing unless they believe themselves to be at risk or develop symptoms; hence reported HIV infections underestimate the true number of cases. In addition, these figures are subject to under-reporting.

Data are given by region because presenting data by health authorities may enable deductive disclosure about individuals in low-prevalence areas and health authorities boundaries have changed over time. Tables showing year on year percentage changes by probable exposure category, age group and region have been prepared.

National health promotion campaigns for HIV-AIDS are targeted in line with the UK Health Department's strategy, "HIV and AIDS Health Promotion: An Evolving Strategy", November 1995. This emphasised the need for better targeting of vulnerable groups as well as the need to inform the general population about the continuing potential risks from HIV. The strategy identified vulnerable groups as gay men—in particular, young gay men—bisexuals and other men who have sex with men, injecting drug users, men and women who travel to or have links with high prevalence countries, currently those in sub-Saharan Africa, and women partners of men in these groups.

In line with the strategy, main Department of Health contracts for national HIV-AIDS health promotion work are with:

(a) the Terrence Higgins Trust: to undertake through community-based groups, targeted HIV-AIDS health promotion work for gay and bisexual men in England.

(b) the Health Education Authority: to undertake health promotion work for the general population.

In addition, the Department is currently developing a national programme of HIV-AIDS health promotion work for sub-Saharan African communities living in England.

Guidance issued by the Department to health authorities on the use of ring-fenced HIV prevention funds stresses the need for locally targeted HIV prevention and health promotion programmes aimed at the groups identified in the evolving strategy.

The Government have encouraged the development of needle and syringe exchange schemes in order to reduce the harm caused by injecting drugs, in particular the risk of transmitting blood-born viruses. Guidance issued to health and local authorities in March 1997 asked commissioners to address the needs of injecting drug misusers as a priority, by ensuring that they have access to needle and syringe exchanges and appropriate treatment services.

Hospital Trust Mergers (West Sussex)

Mr. Soames: To ask the Secretary of State for Health what plans he has to merge hospital trusts in West Sussex. [9600]

Mr. Milburn: No proposals for merger have come forward from hospital trusts in West Sussex.

Asthma

Sir Teddy Taylor: To ask the Secretary of State for Health what changes have occurred in the incidence of asthma in children over the past 20 years; what regional variations apply; and what assessment his Department has made of the causes of increases in the incidence of asthma. [9875]

Ms Jowell: The table shows the mean weekly incidence of new general practitioner episodes of asthma in children per 100,000 of the population in England for each year since 1977. The data are collected from individual practices, and are not collated on a regional basis. It is therefore not possible to provide a regional breakdown. The figures show a clear increase over three decades up to the early 1990s. Although increasing awareness of asthma may have contributed to part of this rise, it does appear likely that part is due to an actual growth in the prevalence of the disease. However, it is still not known what causes asthma or what accounts for this rise.

Nevertheless, there has been a decline in general practitioner episodes of asthma since 1993, suggesting that the previously rising incidence of asthma has abated. This may reflect more effective treatment and higher-quality medical care. The Department of Health remains committed to tackling the burden of asthma on those who suffer from it, and continues to fund research into its causes.

Age group	*0–4*	*5–14*
1977[1]	13.7	15.1
1978[1]	26.6	23.4
1979	33.0	25.6
1980	31.6	28.8
1981	31.3	32.7
1982	32.2	31.5
1983	35.4	35.7
1984	52.4	36.5
1985	57.1	43.4
1986	52.4	41.1
1987	74.4	58.9
1988	102.4	68.7
1989	92.9	66.3
1990	108.4	71.0
1991	145.9	89.4
1992	147.8	84.2
1993	152.6	90.2
1994	137.4	89.2
1995	108.9	73.7
1996	104.7	63.7

Note:

[1] Data for 1977 and 1978 are not directly comparable with data for subsequent years as the International Classification of Disease (ICD codes) used to extract asthma data were changed in 1978.

Source:

Royal College of General Practitioners Weekly Returns Service.

Male Fertility

Sir Teddy Taylor: To ask the Secretary of State for Health what has been the estimated reduction in the male sperm count in the United Kingdom over the last 10 years; what research his Department has *(a)* evaluated and *(b)* commissioned into the factors causing change; and what international comparisons his Department has made. [9874]

Ms Jowell: Some of the recent research from the United Kingdom and other countries has suggested a decline in sperm count, but overall the results are inconsistent and there is no scientific consensus.

Data on semen quality are not collected routinely and arise principally from sources such as tests in infertility clinics or prospective research studies from disparate laboratories whose methods of analysis and reporting may be of doubtful consistency or comparability. This reflects a continuing problem of standardisation in semen analysis, which has not yet been resolved. The same difficulty applies to reports of substantial differences in quality and trends between countries and between areas within countries.

The Department does not currently fund research in this area. The main agency through which the Government have supported research in this area is the Medical Research Council. Recently, two projects have been funded. These are:

1. "Has male fertility been declining—a population survey of Time to Pregnancy" (Imperial College School of Medicine at St. Mary's). This was completed on 31 March 1997.

2. "Environmental oestrogens and the central pulse generator controlling reproduction: a novel approach to critical issue" (King's College, London). This is due to be completed at the end of February 1999.

The Department is planning a joint three or four-year programme of research, with the Health and Safety Executive and the Department of the Environment, Transport and the Regions. The programme will look at trends in male reproductive health and the possible influences of occupational or environmental exposure to chemicals.

Respite Care

Mr. Brady: To ask the Secretary of State for Health what plans he has to vary levels of funding for respite care. [8910]

Mr. Boateng: No sums are specifically earmarked for respite care within the total community care funding that local authorities receive. Support for carers is an integral part of community care and authorities are expected to provide an appropriate range of respite and other support services. However, the precise level and type of services locally are a matter for individual authorities to determine in the light of local needs and priorities.

SCOTLAND

Procurators Fiscal

Mr. Canavan: To ask the Secretary of State for Scotland if he will list, for each sheriff court area in Scotland, the number of cases reported by the police to the procurator fiscal over the most recent 12-month period indicating the number of cases *(a)* where no action was taken, *(b)* where prosecution took place and *(c)* where a conviction was achieved. [9003]

Mr. McLeish: My noble and learned Friend the Lord Advocate has provided the following table listing the number of cases reported, the number of cases marked "no proceedings", the number of cases marked for an alternative to prosecution and the number of cases proceeding to prosecution in respect of each procurator fiscal office for the 12-month period to 31 May 1997.

Statistics about reports received by procurators fiscal are collected by reference to individual procurator fiscal office and not by reference to sheriff court area. The statistics on the cases reported to the procurator fiscal do not distinguish between those reported by the police and those reported by the many other agencies that report offences for consideration of proceedings. The procurator fiscal service does not collect statistics on the number of convictions achieved.

Procurator Fiscal Service, 1 June 1996–31 May 1997

	Reports received	*Reports marked "no proceedings"*	*Report marked for alternative to prosecution*	*Reports proceeding to prosecution*
Aberdeen	13,732	882	1,225	11,625
Airdrie	7,694	891	1,602	5,201
Alloa	2,257	464	321	1,472
Arbroath	2,606	216	424	1,966
Ayr	8,505	1,062	1,654	5,789
Banff	1,114	158	233	723
Campbeltown	669	80	239	350
Cupar	1,879	318	439	1,122
Dingwall	1,791	219	236	1,336
Dornoch	408	77	70	261
Dumbarton	8,032	1,199	1,567	5,266
Dumfries	6,296	819	960	4,517
Dundee	10,118	1,165	1,086	7,867
Dunfermline	5,564	705	835	4,024
Dunoon	1,180	163	294	723
Duns	818	51	72	695
Edinburgh	26,980	3,210	2,905	20,865
Elgin	3,364	510	489	2,365
Falkirk	7,243	1,137	1,387	4,719
Forfar	1,753	154	319	1,280
Fort William	1,565	96	263	1,206
Glasgow	65,328	8,986	15,056	41,286
Greenock	6,268	796	1,404	4,068
Haddington	2,795	385	394	2,016
Hamilton	17,772	2,315	3,458	11,999
Inverness	6,908	1,205	2,157	3,546
Jedburgh	1,746	94	142	1,510
Kilmarnock	10,146	1,289	1,758	7,099
Kirkcaldy	6,473	847	1,033	4,593
Kirkcudbright	1,636	144	286	1,206
Kirkwall	767	50	199	518
Lanark	3,973	376	672	2,925
Lerwick	833	94	87	652
Linlithgow	6,256	900	1,062	4,294
Lochmaddy	227	35	37	155
Oban	1,081	127	212	742
Paisley	10,079	1,474	1,593	7,012
Peebles	180	34	29	117
Perth	6,756	959	942	4,855
Peterhead	2,908	277	702	1,929
Portree	495	65	135	295
Rothesay	275	18	36	221
Selkirk	1,972	258	355	1,359
Stirling	4,576	685	848	3,043
Stonehaven	2,521	121	384	2,016
Stornoway	1,171	142	194	835
Stranraer	2,272	253	173	1,846
Tain	1,203	245	283	675
Wick	1,195	151	190	854
Totals	281,380	35,901	50,441	195,038

Homosexuals (Age of Consent)

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland if he will make a statement on the Crown Office's policy on prosecution for consensual homosexual acts involving males between the ages of 16 and 18 years. [9219]

Mr. McLeish: My noble and learned Friend the Lord Advocate is responsible for the prosecution of crime in Scotland. He informs me that he considers that the public interest is not served by routinely prosecuting all persons who participate in private consensual homosexual acts, which are unlawful by reason of the fact that one or both are under 18 years.

The Lord Advocter had directed procurators fiscal to report to the Crown Office for Crown counsel's consideration cases of consensual homosexual acts in private where both the participants are over 16 years but one or both are under 18 years.

This is consistent with the approach taken by the Lord Advocate's predecessors in office since February 1994 when an identical direction was issued to procurators fiscal by the then Lord Advocate.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Vehicle Excise Duty (Disabled Drivers)

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions what reasons underlie *(a)* the entitlement of recipients of the higher rate mobility component of disability living allowance to exemption from vehicle excise duty and *(b)* the non-entitlement of people with mobility difficulties in receipt of attendance allowance to such exemption. [8829]

Ms Glenda Jackson: The basis for entitlement to exemption from vehicle excise duty for those in receipt of the higher rate mobility component of disability living allowance is severe mobility need which may require some form of private transport. Provision is focused on those disabled before the age of 65. However, those in receipt of attendance allowance are entitled to VED exemption under transitional protection arrangements if their application for exemption was approved before 13 October 1993.

Radioactive Materials (Transportation)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 14 July, *Official Report*, column *16*, how many movements of radioactive material *(a)* have occurred through the channel tunnel since its opening and *(b)* have passed through each south coast port in each year since 1990. [9209]

Ms Glenda Jackson: The Department does not hold information of the kind requested.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 14 July, *Official Report*, column *15*, on the transportation of radioactive materials, what estimate he has made of the proportion of the flights on which the radioactive material carried was *(a)* high level and *(b)* intermediate level. [9210]

Ms Jackson: It is estimated that less than 5 per cent. of such flights carry packages of radioactive material containing in excess of the quantities previously referred to. For transport purposes, the terms high level and intermediate level radioactive material are undefined.

Mr. Baker: To ask the Secretary of State for Environment, Transport and the Regions how many crashes have occurred involving road vehicles carrying radioactive material in the United Kingdom in each year since 1985. [9205]

Ms Jackson: The number of such crashes notified to the Department are:

	Number
1985	4
1986	1
1987	2
1988	5
1989	2
1990	0
1991	2
1992	1
1993	1
1994	1
1995	3
1996	1
1997[1]	0
Total	23

[1] To date.

In none of these crashes was there any loss of radioactive material from any package.

Mr. Dawson: To ask the Secretary of State for the Environment, Transport and the Regions how many flights carrying mixed oxide fuel will pass from Carlisle airport over the Lancaster and Wyre constituency *(a)* from 1 July 1997 to 31 December 1997, *(b)* in 1998 and *(c)* in 1999. [9654]

Ms Jackson: British Nuclear Fuels informs me that none will.

Mr. Dawson: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on safety in respect of the proposed increase in the number of mixed oxide fuel flights from Carlisle airport in 1998. [9656]

Ms Jackson: I am informed by British Nuclear Fuels that no increases are planned.

Mr. Dawson: To ask the Secretary of State for the Environment, Transport and the Regions how many flights carrying mixed oxide fuel from Carlisle airport passed over the Lancaster and Wyre constituency *(a)* in 1996 and *(b)* from 1 January to 30 June 1997. [9655]

Ms Jackson: British Nuclear Fuels informs me that there was none.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each year since 1985 the incidents where *(a)* chemicals and *(b)* radioactive material have been lost overboard (i) in UK waters and (ii) elsewhere from UK-registered

ships, giving for each instance the location, the chemicals or materials involved and the amounts subsequently recovered. [9207]

Ms Jackson: The information is not available in the form requested. However, the table gives a summary of major incidents since 1985 involving the loss of packages containing dangerous or harmful goods from ships operating in UK waters. This information has been provided by the Advisory Committee on the Protection of the Sea.

Name of ship	*Date*	*Nature or incident*	*Area affected*
Filia Sea	March 1987	Packages lost from general cargo ship and washed ashore	East Anglia
Ardlough	September 1988	Containers lost from sunken general cargo ship and washed ashore	Cumbria and Lancashire
Wessertal	October 1990	Tank containers lost from deck of ro-ro ferry	Southern North sea
Perintis	March 1989	Package containing pesticide lost from sunken general cargo ship	English channel
Fathulkhair	February 1990	Canister of potassium cyanide lost from deck of freighter and washed ashore	Kent and Sussex
Nordic Pride	May 1991	Deck cargo lost from ro-ro ferry and washed ashore, resulting in the evacuation of the local population	Norfolk
Tokio Express	February 1997	Containers lost from container ship and washed ashore.	Cornwall

Channel Tunnel (Safety)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the classes of material banned from passage through the channel tunnel for reasons of public safety. [9206]

Ms Glenda Jackson: The Channel Tunnel Intergovernmental Commission, on the advice of the Channel Tunnel Safety Authority, has approved a carriage list of dangerous goods allowed through the channel tunnel. Three classes of dangerous goods are excluded from the list: class 4.2—substances liable to spontaneous combustion; class 4.3—substances which in contact with water emit flammable gases; class 5.2—organic peroxides.

Minister for Roads

Mr. Mackinlay: To ask the Secretary of State for the Environment, Transport and the Regions on which occasions the Minister for Roads has met *(a)* Mr. Des Wilson of BAA and *(b)* other representatives of BAA, since her appointment. [9208]

Ms Glenda Jackson: None.

Thames Gateway

Mr. Austin: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to make an announcement on the Government's overall transport priorities for the Thames gateway area. [9946]

Ms Glenda Jackson: Our manifesto recognised the need for modern transport links to enhance accessibility and support regeneration within the Thames gateway. We are reviewing options and priorities and hope to report our conclusion later in the year.

Mr. Austin: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the proposed high-tech bus link between Greenwich and Thamesmead. [9947]

Ms Jackson: None. I understand that London Transport has made a preliminary study of the Thamesmead-Greenwich area following a review of the potential for new forms of public transport in outer London. London Transport is working with local authorities to develop proposals.

Mr. Austin: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will provide financial support for the proposed Thames gateway metro; [9911]

(2) what assessment he has made of the proposed new tunnelled rail crossing linking the North London line in the royal docks with the North Kent line at Woolwich Arsenal; and if he will make a statement; [9910]

(3) what assessment he has made of the regeneration potential of the proposed Thames gateway metro. [9945]

Ms Jackson: A study of the Woolwich rail tunnel, the potential for Thames gateway metro services and the regeneration benefits these may offer is being undertaken for my Department as part of a study of potential new east Thames river crossings. I expect this to be completed by the autumn. Consideration of these proposals will be made in the light of the study's findings and our fundamental review of transport policy. Regeneration benefits of the Thames gateway metro will be examined using the appraisal framework my Department is developing.

East London River Crossing

Mr. Austin: To ask the Secretary of State for the Environment, Transport and the Regions what environmental assessment he has made of the proposed east London river crossing. [9948]

Ms Glenda Jackson: Revocation orders for the east London river crossing were published on 26 March. At the same time, an alignment was safeguarded for a multi-modal crossing between Beckton and Thamesmead, which is being promoted by London Docklands development corporation and Thamesmead Town Ltd. They have undertaken an initial appraisal of the new crossing's environmental impacts; further assessment is planned using an appraisal framework that is being developed by my Department.

Coach Safety

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions what steps he

is taking to ensure that children are not carried in the United Kingdom on coaches that do not have seat belts fitted. [9793]

Ms Glenda Jackson: Children who are taken on organised trips in newer coaches in Britain already have to be provided with a seat belt. From 10 February next year, seat belts will also have to be provided for children in older coaches first used before 1 October 1988. Similar arrangements will apply in Northern Ireland from 1 September this year. Enforcement of these regulations is a matter for the police.

A564 Derby (Footbridge)

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions what is the estimated cost to date of providing a footbridge, new vehicular access and associated works across and adjacent to the A564 Derby southern bypass to serve Tynefield court and mews, Etwell; and what is the budget for these works. [9147]

Ms Glenda Jackson: The estimated cost is £385,000—the same as the budget.

Trains (Disabled Persons)

Ms Kingham: To ask the Secretary of State for the Environment, Transport and the Regions which railway operating companies do not permit disabled people's trikes to be carried on their trains; and when each introduced that prohibition. [9466]

Ms Glenda Jackson: This information is not held by the Department. We understand, however, that a ban on the carriage of scooters and larger powered wheelchairs is applied by the majority of train operating companies. A similar ban was operated pre-privatisation by British Rail.

The Department's statutory advisers, the Disabled Persons Transport Advisory Committee, has examined the ban on a number of occasions. It shares the industry's concerns about the stability and manoeuvrability of scooters and has supported the train operating companies' ban. The committee recognises that larger powered vehicles that are designed to give local outdoor mobility are simply too large to be accommodated on public transport.

The regulations we will be making under the Disability Discrimination Act 1995 will ensure that wheelchairs constructed to international standard dimensions can be accommodated on new trains. In the meantime, we have been holding discussions with wheelchair manufacturers with the aim of establishing a marking protocol which would indicate to disabled people the suitability of manual and powered wheelchairs for use on public transport to help them make informed choices.

Port of London Authority

Mr. Wyatt: To ask the Secretary of State for the Environment, Transport and the Regions what piloting experience on the River Thames the Chief Harbour Master of the Port of London authority possesses. [9293]

Ms Glenda Jackson: The Chief Harbour Master of the Port of London authority is appointed by the board and his qualifications and experience are a matter for them. The Port of London Act 1968 requires that one member of the board appointed by the Secretary of State

"shall be a person with wide experience of navigation (including the command of sea-going ships, pilotage and navigational aids)".

This position is currently filled by a former deputy master and chairman of Trinity House.

Mr. Wyatt: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the safety implications of reductions in the number of pilots in service in the Port of London authority. [9292]

Ms Jackson: I refer to the reply I gave my hon. Friend the Member for Gravesham (Mr. Pond), on 1 July, *Official Report*, column 102.

Railtrack

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions if the Government plan to exercise the voting rights pertaining to their residual shareholding at the forthcoming annual general meeting of Railtrack. [8892]

Ms Glenda Jackson *[holding answer 15 July 1997]:* No. The Government hold only 0.8 per cent. of Railtrack's shares. Our most effective way of influencing the company is through improved regulation of the rail industry, on which we are currently reviewing the options.

Urban Trees

Mr. Martyn Jones: To ask the Secretary of State for the Environment, Transport and the regions what representations he has had concerning the provision of water access zones for urban trees; and if he will make a statement. [8490]

Angela Eagle: My right hon. Friend the Minister for the Environment has received a letter from the Permaculture Association (Britain), which is concerned about the impact on urban trees of action to reduce the amount of drinking water lost through leakage.

Events over the past few summers have shown that water conservation is an issue that must be taken seriously. Against this background, average losses of nearly 30 per cent. through leakage from the mains system are intolerable. As part of the Government's 10-point plan for a better water industry, tough mandatory targets are to be put in place to secure a substantial reduction in leakage over the next five years.

Existing leakages may artificially increase the availability of water to trees in the immediate vicinity. However, not all trees in towns will be situated near leaking pipes and so be serviced in this way. In addition, as the naturally dry condition of recent years have demonstrated, most trees are able to adapt to changing conditions above and below ground and to adjust their water demand accordingly. Action taken to reduce leakage is, therefore, unlikely on its own to result in major losses of trees from our towns.

Construction Industry

Mrs. Ann Cryer: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the members of staff seconded to the construction sponsorship directorate from the construction industry, indicating their employers; and if he will place in the Library a copy of their business plans for *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99. [8459]

Mr. Raynsford: There are two inward secondments from the construction industry to the construction sponsorship directorate.

Dr. Mark Mawhinney of Tarmac International Ltd. has been seconded to fill an administrative grade 7 post in the construction export promotion and materials sponsorship—CEPMS—division and heads a team of four people responsible for the promotion of export opportunities in Europe, the former Soviet Union and the Americas. The secondment began in June 1996 and will end in October this year. Activities include commissioning market information, organising seminars, arranging programmes for inward visitors, planning and briefing of ministerially led trade missions overseas and managing export-related research projects. Dr. Mawhinney's team also provides the secretariat for the export action group for building materials, which is an advisory non-departmental public body set up to boost export activity in the building materials sector.

Work Plan:

1. To plan and implement the branch's trade mission programme.

Action

Supervise the briefing for the 1997 trade missions and ensure that the accompanying companies receive maximum measurable benefit.

2. To build up a knowledge of the work of other Government Departments, specifically those with construction interests and to encourage further co-operation across Departments.

Action

Participate in cross-Department briefings on export issues and, in addition to routine work, aim to work jointly with other Departments on a new project by September 1997.

3. To assist exporters with awareness and generation of proposals for partners in technology—PIT—and sector challenge schemes and to manage robustly the assessment and implementation of nominated projects.

Action

Publicise the results of completed projects, actively manage projects, actively seek proposals for the programmes, co-ordinate assessment of proposals to ensure consistent, quality approval process, contribute to generation of proposals in 1997 PIT and sector challenge schemes.

4. To work on presentation or press opportunities allowing greater publicity for the export support activities of CEPMS division.

Action

To make presentations on 10 occasions at export promotion events by October 1997. To develop better links with the press and to produce one article which is published in the trade press by October 1997. To continue to use "Construction Monitor" to publicise activities and outputs.

5. To develop new ideas which will reflect changes in construction exports and allow greater effectiveness in export promotion and which will enhance the skills base of CEPMS staff.

Action

Promote training of staff to develop their knowledge of the industry and of the requirements for career development, conduct open door policy to encourage communication on all issues, involve staff in the management of the consultancies.

6. To understand and make full use of the Internet to tap information on markets and business opportunities.

Action

To produce a plan for a database by June 1997 and implement.

Dr. Les Parrott is seconded from the British Cement Association to work with the Department on a two days per week basis. His secondment is for one year and is due to end in August 1997. Dr. Parrott's remit is to produce a cross-sectoral analysis of the environmental issues relevant to the use of materials in all aspects of the construction process and to assist the directorate in the application of this information to the development of the construction research programme.

Work Plan:

1. To identify and prioritise cross-sectoral—concrete, steel, timber, masonry and insulation, for example—environmental issues relevant to construction materials and to analyse these with respect to the Department's policy concerns: climate change, resource depletion, waste, air quality, water and soil pollution.

2. To identify key current UK and international research initiatives relevant to environmental impacts of construction materials; to liaise with the environment business plan manager in the construction innovation and research management division to identify future departmental research needs.

3. To liaise with industry to identify opportunities for specific material sectors to take initiatives to minimise adverse environmental effects.

Environmental Task Force

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions to what extent the costs for non-governmental organisations taking part in the environmental task force will be reimbursed. [8643]

Angela Eagle: Non-governmental organisations that provide placements for the environmental task force will receive appropriate funding to manage, supervise and provide project materials for their placements.

Mr. Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what qualifications will be awarded to those taking part in the environmental task force. [8644]

Angela Eagle: We expect a wide range of educational and vocational qualifications to be available to placements on the environmental task force, reflecting the nature of the projects being undertaken.

Mr. Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what are the criteria for projects undertaken by the environmental task force. [8675]

Angela Eagle: Suitable projects will be identified based on the quality of work offered, the opportunities for training and qualifications and environmental benefits.

Carbon Dioxide Emissions (Gas Levy)

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what estimate his Department has made of the impact the abolition of the gas levy will have on carbon dioxide emissions in the United Kingdom; and if he will make a statement. [8651]

Angela Eagle: The abolition of the gas levy will have a minimal effect on carbon dioxide emissions. My Department has estimated that it will result in an annual increase in emissions of about 0.04 million tonnes of carbon in 2000, equivalent to 0.02 per cent. of emissions. We estimate a negligible effect by 2010 because the real value of the gas levy and the quantity of gas covered by it both decline over time.

Stationery

Ms Walley: To ask the Secretary of State for the Environment, Transport and the Regions how much his Department spent on stationery provision in respect of paper items in each of the last five years. [8866]

Angela Eagle: The expenditure on stationery items over the last five years was as follows:

1992–93: £1.5 million

1993–94: £1.7 million

1994–95: £1.7 million

1995–96: £1.9 million

1996–97: £1.6 million

It is not possible to separate paper from non-paper stationery items in these figures, which do not include expenditure by the Government offices of the regions.

Solar Energy

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions if he will include the installations of simple solar energy projects in the activities of the environmental task force under the welfare-to-work initiative. [8770]

Angela Eagle: We want a wide range of high-quality projects to be carried out by the environmental task force, including projects that contribute to energy conservation.

Environmental Impact Assessments

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions which Government policies have been subjected to an environmental impact assessment since 1 May. [8898]

Angela Eagle: Environmental impact assessment normally applies to projects rather than policies. None the less, we are committed to the integration of environmental concerns into all our policy making and are currently investigating the best means of achieving this.

Green Ministers

Mr. Matthew Taylor: To aks the Secretary of State for the Environment, Transport and the Regions how many times green Ministers have met since 1 May. [8899]

Angela Eagle: Green Ministers are currently being appointed and have not therefore met. They will play a key role in helping fulfil our manifesto commitment to put concern for the environment at the heart of government.

Aggregates

Mrs. Butler: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the extent of aggregate prospecting in the middle deep and outer Thames estuary and what consultation his Department has had with which companies on the commercial extraction of such aggregates. [8831]

Mr. Raynsford *[holding answer 16 July 1997]:* The Secretary of State has no involvement with offshore aggregate prospecting and, consequently, he has no information about its extent within the middle deep and outer Thames estuary.

Prospecting for marine sand and gravel is licensed by the Crown Estate as a custodian of virtually all the territorial sea bed out to 12 nautical miles. Before the Crown Estate issues a prospecting licence, it seeks comments from the Ministry of Agriculture, Fisheries and Food, the appropriate countryside agencies and the royal commission on historical monuments of England. Prospecting has very little impact on the sea bed because the survey techniques are mainly non-intrusive and surveys are governed by a voluntary code of practice between the industry and MAFF. Bulk sampling—maximum 500 tonnes—requires the prior agreement of MAFF.

Commercial extraction of marine aggregates requires a dredging licence granted by the Crown Estate which will not grant a licence until the Secretary of State issues a favourable "Government view" on the application for a licence. The "Government view procedure", co-ordinated by this Department, provides for a comprehensive environmental assessment to be made of the dredging proposals, including their possible effect on coastal defences, nature conservation and fishing interests. Unless the Secretary of State is fully satisfied that all these interests will be safeguarded, a favourable "Government view" will not be issued.

The Secretary of State consults the British Marine Aggregates Producers Association on matters of dredging policy.

Housing

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions if new homes built by local authorities are compulsorily subject to secure tenancies; and if he will make a statement. [9095]

Mr. Raynsford: Section 79 of the Housing Act 1985 states that a tenancy is a secure tenancy at any time when the landlord and tenant conditions are satisfied. The landlord condition is that the interest of the landlord belongs to one of a number of bodies listed, such as a local authority, and the tenant condition is that the tenant is an individual and occupies the dwelling house as his only or principal home.

Mr. Jones: To ask the Secretary of State for the Environment, Transport and the Regions if a local authority that has transferred its housing stock to a housing company is permitted to provide funds to the company in subsequent years; and if he will make a statement. [9094]

Mr. Raynsford: Yes. A local authority may give grants for housing to any registered social landlord.

Climatic Conditions

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to adopt a sea level rise limit objective as part of his climate policy. [8923]

Angela Eagle: We have no plans currently to adopt a sea level rise limit objective. However, in developing our policy on climate change, we keep under continual review the implications of its impacts, including sea level rise.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8958]

Angela Eagle: In the whole of the private office for all Ministers, the total number of employees, including support grades and typists, who have declared their ethnic origin through voluntary and confidential surveys as Asian are eight, or 7.4 per cent., and as Afro-Caribbean seven, or 6.5 per cent. The combined percentage is 14 per cent.

Unmodernised Private Properties

Mr. Cox: To ask the Secretary of State for the Environment, Transport and the Regions what is the estimated number of privately owned properties in the Greater London area that are in need of modernisation; and if he will make a statement. [9087]

Mr. Raynsford: There is no agreed definition of properties "in need of modernisation". However, the 1991 English house condition survey—EHCS—identified dwellings in which the kitchen and bathroom fittings were at least 25 years old. This provides an indication of the rate of modernisation and the figures for privately owned properties in Greater London are shown in the table. More recent information, collected in the 1996 EHCS, will be available later this year.

Privately owned properties in Greater London: 1991

	Number	*Percentage of stock*
Kitchen fittings more than 25 years old	325,000	14.1
Bathroom fittings more than 25 years old	486,000	21.1
Kitchen and bathroom fittings more than 25 years old	224,000	9.7

Compulsory Competitive Tendering

Sir Paul Beresford: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the recent survey of local authorities relating to the financial impact and results of CCT. [9074]

Mr. Raynsford: Research recently published by the Department looked at both the financial and service quality impact of CCT on blue collar services covered by the Local Government Act 1988. It showed average annual savings on contract prices of 9 per cent. for the second round of tendering. This finding is, however, dependent on the way in which the social costs and benefits of CCT are treated. Other research, commissioned outside the Department, suggests a wide variation in estimates of savings when these factors are taken into account.

The departmental study also indicates that these savings have been accompanied by only relatively minor improvements in service standards; more attention needs to be given to the development of local performance indicators. A majority of the authorities surveyed also thought that user involvement in the specifying and monitoring of services could be improved. These issues will be addressed by our best value proposals, currently being developed with the support of local government and the private sector.

Green Belt

Mr. Lilley: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement about Government policy on large-scale housing developments in the green belt. [8985]

Mr. Prescott: The Government's policy on development in the green belt is set out in planning policy guidance—PPG—2. There is a presumption against inappropriate development in the green belt unless very special circumstances exist which outweigh the harm caused by the development.

Proposals in draft plans that would result in releasing land from the green belt must be fully justified. The Government are committed to protecting the green belt and encourage the recycling of land urban areas wherever possible to meet development needs.

Hostel Conversions

Mr. Gordon Marsden: To ask the Secretary of State for the Environment, Transport and the Regions how many enforcement orders have been issued by local authorities against the unlicensed conversion of hotels, bed-and-breakfast establishments and guest houses to hostels since 1994. [9491]

Mr. Raynsford: This information is not available. Although local authorities provide my Department with quarterly statistics showing the number of enforcement notices they have issued, the figures do not differentiate between different kinds of breaches of development control.

Advance Corporation Tax Credits

Mr. Woodward: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to meet representatives of the Local Government Association to discuss the effect of the abolition of the advance corporation tax credit on local authorities. [9400]

Mr. Raynsford: The Secretary of State, with ministerial colleagues, last met the Local Government Association on Wednesday 16 July. The subjects discussed included the likely impact of the abolition of the advance corporation tax on local authority pension funds.

Mr. Clifton-Brown: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each local authority the effect on their pension fund contributions of the withdrawal of ACT credits in the Budget. [9908]

Mr. Raynsford: The next valuation of local authority pension funds in England and Wales is due in March 1998. Only after that exercise has been completed will a true picture emerge of the effect of the Budget proposal on ACT credits and what effect this will have on future employer contributions to the separate funds.

Dependent Relatives (Accommodation)

Mr. Bercow: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have to issue guidance to local authorities in respect of families who seek planning permission to accommodate dependent relatives; and if he will make a statement. [8975]

Mr. Raynsford *[holding answer 18 July 1997]:* This issue was raised for discussion in last year's Green Paper on household growth. The Government are still considering the responses to the consultation, on which we will make a statement in due course. I have no plans currently to issue further advice.

Rights to erect annex buildings in the gardens of dwelling houses similar to those that currently apply under the Town and Country Planning (General Permitted Development) Order 1995 have existed for many years. To benefit from permitted development rights, however, such new buildings in the gardens of dwelling houses must be "incidental to the enjoyment" of the house. The creation of a separate main residential unit would constitute development requiring planning permission.

However, extensions to create annexes for dependent relatives may be appropriate in certain circumstances, subject to conditions. This is to prevent the creation of independent living accommodation which could subsequently be let or sold off separately from the main house.

The same is true for separate buildings—often conversions of outbuildings—intended for use for dependent relatives. In these cases, it is even more likely that a separate unit of accommodation will be created.

The Government are aware of the need to give householders as many rights to develop their properties as possible, but consider that these freedoms should not be detrimental to the interests of neighbours or the quality of the area in general, and therefore have to draw a line beyond which a planning application is required.

Planning Decisions

Mr. Öpik: To ask the Secretary of State for the Environment, Transport and the Regions what mechanisms are in place to ensure objectivity in planning decisions; what plans he has to change planning regulations; and if he will make a statement. [9133]

Mr. Raynsford *[holding answer 18 July 1997]:* The law requires that planning decisions are made in accordance with the development plan unless material considerations indicate otherwise. The principal mechanisms to secure objectivity are up-to-date development plans and a prompt, efficient appeals systems. The Department is carrying out a comprehensive review of the planning system.

Planning Policy Guidance

Mr. Jack: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to revise PPG13; and if he will make a statement. [9474]

Mr. Raynsford *[holding answer 18 July 1997]:* We have no immediate plans to revise PPG13. However, better integration of transport and land use planning will be an important part of the wide-ranging review of policy leading to a White Paper on an integrated transport strategy to be published next spring.

Care Homes

Mr. Cawsey: To ask the Secretary of State for the Environment, Transport and the Regions if a planning permission for residential and nursing home can, without a change of use, apply to a residential care home for people with challenging behaviour. [9592]

Mr. Raynsford *[holding answer 18 July 1997]:* Planning permission is not required for changes of use within each class of the Town and Country Planning (Use Classes) Order 1987. Use class C2 of the order covers use for the provision of residential accommodation and care to people in need of care, use as a hospital or nursing home, and use as a residential school, college or training centre. Use class C3 can cover use as a dwelling house where care is provided for not more than six residents living together as a single household.

Area Cost Adjustment

Mr. Nicholas Winterton: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the future of the area cost adjustment. [9325]

Mr. Raynsford *[holding answer 18 July 1997]:* The work of the review of the area cost adjustment during 1996 provided an examination of the issues, although not one the local authority associations wanted implementation for 1997–98 standard spending assessments. The Department has commissioned research to examine some of the concerns of local government about the review's proposals. It is due to report this week. We shall discuss with local government both the research findings and the way forward on the area cost adjustment.

Unauthorised Campers

Mr. Paice: To ask the Secretary of State for the Environment, Transport and the Regions if he will provide advice to local authorities on time scales for consultation with health and welfare authorities before proceeding to evict unauthorised campers. [9473]

Mr. Raynsford *[holding answer 18 July 1997]:* My Department has commissioned researchers from the university of Birmingham to examine the scope for disseminating good practice for local authorities to deal with unauthorised camping. The research is well under way and includes discussions with local authorities on how they liaise with the relevant statutory agencies when deciding whether to evict unauthorised campers. We want to encourage all relevant agencies to work together and to be clear about each other's responsibilities.

Mr. Paice: To ask the Secretary of State for the Environment, Transport and the Regions what powers exist for local authorities to evict unauthorised campers under the Criminal Justice and Public Order Act 1994 when health and welfare authorities do not respond to consultations on individual cases. [9330]

Mr. Raynsford *[holding answer 18 July 1997]:* Local authorities intending to use their powers in the Criminal Justice and Public Order Act 1994 to direct unauthorised campers to leave land should make reasonable attempts to ascertain the campers' health and welfare needs before deciding whether eviction is justified. They need to inquire first from the campers themselves if they are receiving assistance from health and welfare services. Even if they are not, this does not mean that they do not need assistance. If it appears that assistance is being received, or is needed, local authorities should liaise with the relevant statutory agencies; the local authority may well at this stage have sufficient information to assess whether it would be justified in evicting.

It is important that local authorities maintain close relationships with the statutory agencies and that, if those agencies have relevant information, this is made known.

Correspondence

Mr. Hoyle: To ask the Secretary of State for the Environment, Transport and the Regions what targets his Department sets for responding to letters from hon. Members. [9854]

Angela Eagle: My Department's target for responding to letters from hon. Members is 15 working days.

Dangerous Wild Animals Act 1976

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions which animals he proposes to add to the list of those covered by the Dangerous Wild Animals Act 1976. [9538]

Angela Eagle: The Department has no plans to add any animals to the list covered by the Act.

Local Authority Pension Funds

Mrs. May: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to change the solvency and funding requirements for local authority pension funds. [9648]

Mr. Raynsford: The Local Government Pension Scheme Regulations 1995, which control this statutory pension scheme in England and Wales, already require actuaries, as part of each triennial valuation, to set an employer contribution rate to ensure fund solvency, having regard to existing and prospective liabilities and the desirability to maintain as constant a rate as possible. There are no plans to change the current provisions.

Navigation Safety

Mr. Godman: To ask the Secretary of state for the Environment, Transport and the Regions what recent discussions have taken place with Clydeport and other interested parties about the safe navigation of vessels and off-shore installations through the River Clyde and the firth of Clyde; and if he will make a statement. [9086]

Ms Glenda Jackson: *I have asked the chief executive of the Marine Safety Agency to write to my hon. Friend.*

Letter from R. M. Bradley to Mr. Norman A. Godman, dated 21 July 1997:

The Deputy Prime Minister has asked me to reply to your Question as to what recent discussions have taken place with Clydeport and other interested parties concerning safe navigation of vessels and off-shore installations on the River Clyde and the Firth of Clyde. This question was referred from the Secretary of state for Scotland to the Deputy Prime Minister as the matter falls within the responsibilities of the Department of the Environment, Transport and the Regions.

The question of safe navigation on the Clyde was discussed at the meeting of the Strathclyde Sub-Committee of the West of Scotland District Marine Safety Committee at its meeting on 28 February this year. The Sub-Committee meeting was chaired by the Marine Safety Agency's Regional Chief Surveyor for Scotland and Northern Ireland. The Sub-Committee includes representatives of a wide range of interested bodies, including Clydeport Ltd., the Competent Harbour Authority (CHA) for the Clyde, and the Scottish Guild of Pilots.

At the meeting there was a very full discussion of the case, put by the representative of the Scottish Guild of Pilots, for compulsory pilotage of all tankers on the Clyde. There was some but not unanimous support for the views put forward on pilotage. However, it was made clear at the meeting that, under the Pilotage Act 1987, the statutory responsibility for this matter lies with Clydeport Ltd in its role as Competent Harbour Authority. The Sub-Committee is a consultative body only, providing a forum for discussion of marine safety issues amongst interested parties. It has no executive or statutory powers itself.

We understand that, since the meeting in February, there have been further exchanges between the management of Clydeport Ltd and the Pilots and that an agreed view on the matter has been reached.

Civil Servants

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions how many civil servants there are on each pay band in his Department. [8960]

Angela Eagle: The following information covers non-industrial staff in my Department and its agencies at 1 April 1997. The Health and Safety Executive has a pay band structure, but still with some non-banded grades. The senior civil service has nine pay bands, which are combined as a single total for this reply, and the Department and its agencies are moving towards the introduction of pay bands for remaining grades.

Except where stated, therefore, numbers are shown against standard grade equivalents for the civil service.

Summary of DETR staff numbers at 1 April 1997

Grade equivalent	*DETR central*	*DETR staff in Government offices*	*Agencies*	*Total*	*Pay band*	*HSE*
Senior civil service	186	25	48	259	Senior CS including Band 0	47
Grade 6	79	11	256	346	Band 1	96
Grade 7	524	100	342	966	Band 2	481
SEO	327	108	570	1,005	Band 3	1,026
HEO	706	157	1,134	1,997	Band 4	462
EO	796	223	2,758	3,777	Band 5	409
AO	1,053	229	3,179	4,461	Band 6 higher	809
AA	331	132	2,976	3,439	Band 6 lower	671
					Non-banded grades	217
Total	4,002	985	11,263	16,250		4,218

CULTURE, MEDIA AND SPORT

North Yorkshire and Humberside Arts Board

12. **Ms Rosie Winterton:** To ask the Secretary of State for Culture, Media and Sport what plans he has to meet the chair and director of the North Yorkshire and Humberside regional arts board to discuss the development of the arts in their region. [7508]

Mr. Fisher: I met the chair and chief executive of North Yorkshire and Humberside regional arts board during my visit to Leeds on 17 July. I was able to see for myself the high quality of artistic activity in the region and was impressed by the commitment of North Yorkshire and Humberside arts board to the arts in the area. I wish them great success when they host the year of photography and the electronic image next year. We look forward to an innovative programme of events.

Sports Facilities

13. **Mr. Hinchliffe:** To ask the Secretary of State for Culture, Media and Sport what proposals he has to assist sports other than Association Football to improve grounds and stadiums. [7509]

Mr. Banks: I am keen to see higher standards of crowd safety at all sports. The English Sports Council has announced that it will give greater priority to the provision of lottery funding for spectator facilities for the major spectator sports. I welcome that decision.

Mr. Nigel Jones: To ask the Secretary of State for National Heritage what national strategy guidance is used to ensure that lottery money is targeted strategically at sports facilities; and if he will make a statement. [7995]

Mr. Banks: The lottery sports fund has provided an excellent opportunity to make great improvements to the nation's sporting facilities. To date, capital funding of more than £570 million has been awarded to some 2,200 projects throughout England.

The English Sports Council—the statutory distributor of lottery funds for good causes in sport in England—undertakes this responsibility within the framework set out in directions issued to it by the Secretary of State. A copy of the directions is available in the Library of the House.

In addition, the ESC has developed additional strategies to help schools and areas of social deprivation, both urban and rural. The schools community sports initiative and the priority areas initiative have been introduced which allow up to 90 per cent. funding for new projects.

More needs to be done to help those regions that have been less successful in securing awards and we are looking into how the distribution of awards can be spread more evenly.

National Lottery

15. **Mrs. Fyfe:** To ask the Secretary of State for Culture, Media and Sport what plans he has to reform the national lottery. [7511]

Mr. Smith: I will make a statement later this afternoon on my proposals for reforming the lottery. They will widen access to the benefits of the lottery, particularly in the areas of health, education and the environment.

24. **Mrs. Betty Williams:** To ask the Secretary of State for Culture, Media and Sport what plans he has to review the terms of the national lottery operator's licence. [7520]

Mr. Smith: My Department does not have the power to change the terms of operation for the current licence holder. I will make a statement later this afternoon on my proposals for reforming the lottery including improvements to the way it is operated.

Tourism Grants

16. **Mr. Waterson:** To ask the Secretary of State for Culture, Media and Sport what plans he has to reintroduce section 4 grants in England. [7512]

Mr. Tom Clarke: The Government have no plans to reintroduce section 4 grants in England.

Film Industry

17. **Mr. Trickett:** To ask the Secretary of State for Culture, Media and Sport what plans he has to promote the British film industry. [7513]

26. **Mr. Hanson:** To ask the Secretary of State for Culture, Media and Sport what plans he has to stimulate the British film industry. [7522]

27. **Mr. Borrow:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on his Department's plans to assist the United Kingdom film industry. [7524]

Mr. Tom Clarke: The Government's commitment to film was demonstrated by the new tax relief announced in the Budget. The film policy review group, set up by my Department, aims to double the audience of the British films and to help the film industry to achieve its full creative and economic potential.

Millennium Projects

18. **Mr. Baker:** To ask the Secretary of State for Culture, Media and Sport what recent representations he has received in respect of the millennium dome. [7514]

Mr. Chris Smith: Since my right hon. Friend the Prime Minister announced on 19 June that the new millennium experience would go ahead, I have received numerous representations from Members of the House and their constituents, companies and the public. I have been encouraged by the number of people who have been enthused by our plans for celebrating the year 2,000 and have forwarded the many excellent ideas proposed to the operating company, the New Millennium Experience Company.

21. **Lorna Fitzsimons:** To ask the Secretary of State for Culture, Media and Sport what plans he has for supporting millennium events in the regions. [7517]

Mr. Smith: The Millennium Commission and the New Millennium Experience Company Ltd., are working together on proposals for a regional programme of events in the years up to and during the year 2000. In addition, we would encourage communities and local authorities throughout the country to organise celebrations, and my Department is promoting co-ordination between organisers of major regional events.

22. **Ms Jenny Jones:** To ask the Secretary of State for Culture, Media and Sport how much has been allocated by the Millennium Commission to projects to mark the millennium. [7518]

Mr. Smith: I refer my hon. Friend to the oral answer that I gave earlier today to my hon. Friend the Member for Bolsover (Mr. Skinner).

BBC News

19. **Mr. Mitchell:** To ask the Secretary of State for Culture, Media and Sport when he next intends to meet the chairman of the BBC governors to discuss the 24-hour news channel. [7515]

Mr. Chris Smith: I have no current plans to meet the BBC chairman to discuss the 24-hour news channel. However, as my hon. Friend will know, approval has already been given in principle, under the provisions of the charter and agreement, to the BBC's initial proposals for public service digital television, including 24-hour news.

Sand Yachting

20. **Mr. Jack:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on his Department's support for sand yachting. [7516]

Mr. Banks: The Government give support for individual sports mainly through the English and UK Sports Councils. The British Federation of Sand and Land Yacht Clubs, the sport's governing body, has been awarded a grant of £19,000 by the UK and English Sports Councils. This runs to September 1997. From September, the funding and development of the sport will rest with the UK Sports Council. Sand yachting has so far been awarded £47,660 from the lottery sports fund.

Architectural Heritage

23. **Sir Sydney Chapman:** To ask the Secretary of State for Culture, Media and Sport what further initiatives he intends to take to conserve and enhance the nation's architectural heritage. [7519]

Mr. Banks: We are committed to giving a high priority to protecting our heritage. Government funding to achieve this is channelled in the main through English Heritage. Increasingly, the lottery is also contributing substantial aid. English Heritage and the heritage lottery fund have had continuing discussions in recent months about possible funding initiatives in which they can collaborate to the greater benefit of historic buildings.

Ballroom Dancing

25. **Mr. Gunnell:** To ask the Secretary of State for Culture, Media and Sport what representations he has received in respect of ballroom dancing being given Olympic recognition. [7521]

Mr. Banks: I am not aware that we have received any representations about recognising ballroom dancing as an Olympic sport. It is a good idea; it already has provisional recognition, but a final decision is a matter for the International Olympic Committee.

Football

28. **Mr. Pendry:** To ask the Secretary of State for Culture, Media and Sport, pursuant to the oral statement by the Minister for Sport of 27 June, *Official Report*, column 1127, what progress has been made on the creation of a task force for football; and what its remit will be. [7525]

Mr. Banks: I am currently looking into how the task force can be put into effect, its composition and its remit. I shall be making an announcement shortly.

Arts Access

Mr. McNulty: To ask the Secretary of State for Culture, Media and Sport what plans he has to enable greater access to the arts. [7510]

Mr. Fisher: Access is a central theme of my Department's policies for the arts. The public has a right to the widest possible access in return for the public funding which the arts receive. The proposals we have made to increase access to the arts include plans to pilot open theatre nights and an artscard scheme for young

people as well as plans to review the case for admission charges to core collections in our national museums and galleries.

House of Commons (Radio Broadcasts)

Mr. Winnick: To ask the Secretary of State for Culture, Media and Sport what plans he has to meet the chairman and Director General of the BBC to discuss the future radio broadcasting of the House; and if he will make a statement. [9878]

Mr. Fisher: My right hon. Friend the Secretary of State has no such plans. Under the terms of its agreement with the Secretary of State, the BBC is required to transmit an impartial day-by-day account of the proceedings in both Houses of Parliament, but it is for the BBC to determine the best way in which to meet this obligation. The BBC is carrying out an extensive consultation exercise about the future direction of Radio 4 and I am sure that it will take into account in arriving at its decisions the strong feelings expressed by Madam Speaker and by hon. Members on both sides of the House about the broadcasting of our proceedings.

Works of Art (Export Licences)

Sir Patrick Cormack: To ask the Secretary of State for Culture, Media and Sport if he will list the items for which the issuing of export licences was withheld on the recommendation of the Reviewing Committee on the Export of Works of Art during the half-year ended 30 June, specifying in each case the valuation and whether an item was exported or retained, with particulars in the latter event of the acquiring institutions; and if he will list any items for which licences have been withheld but the final disposal of which is not yet decided, specifying in each case *(a)* the valuation and *(b)* the relevant time limit. [8977]

Mr. Fisher: The information is as follows:

Description of item	*Valuation* £	*Outcome*
A painting *Madonna and Child with Saints with a Distant Landscape* by Annibale Carracci (1560–1609)	197,325	No offer made, so export licence was issued
A mother-of-pearl casket by Pierre Mangot, *c.* 1532	3,000,000	No offer made, so export licence was issued
An altar-piece by Giuliano da Rimini, *c.* 1307–23	560,512.50	No offer made, so export licence was issued
A pair of late eighteenth- or early nineteenth-century Anglo–Indian ivory armchairs	138,275	Owner declined to accept matching offer, so export licence was refused
A pair of French silver wine-coolers, *c.* 1766–67	297,605.62	Owner declined to accept matching offer, so export licence was refused
A painting *Descent into Limbo* by Lelio Orsi (*c.* 1511–87)	595,000	Originally deferred, but subsequently discovered to have been imported within last 50 years, so export licence was issued
A Venetian bronze andiron attributed to Niccolò Roccatagliata, *c.* 1600	77,752.50	Acquired by the National Galleries of Scotland
A gold box by G. M. Moser, *c.* 1760	314,171.15	Acquired by the Royal Museum of Scotland
A Neolithic stone ball	8,000	Acquired by Aberdeen Museum
A painting *Cup of Water and a Rose* by Francisco de Zurbarán, *c.* 1627–30	305,997.10	Acquired by the National Gallery
A painting *Eine kleine Nachtmusik* by Dorothea Tanning, 1943	156,250	Deferred until after 8 August 1997
A painting *After Rain* by Alexander Cozens (*c.* 1717–86)	437,587.50	Deferred until after 8 August 1997
A sword of honour presented to the Earl of Northesk (1758–1831)	74,400	Deferred until after 8 August 1997
Medals presented to the Earl of Northesk (1758–1831)	107,925	Deferred until after 8 August 1997
A seventeenth-century gold signet ring	21,172.50	Deferred until after 11 September 1997
A painting *Landscape with a Calm* by Nicolas Poussin, 1651	16,000,000	Deferred until after 18 October 1997
A ewer and basin from St. Martin in the Fields, *c.* 1720	850,000	Deferred until after 13 November 1997

TREASURY

Strip Searches

Dr. Lynne Jones: To ask the Chancellor of the Exchequer what procedures are in place at ports of entry to inform people of their rights of appeal before being subjected to a strip search by Customs and Excise officers. [8523]

Dawn Primarolo: Before customs carries out a strip search travellers must be informed of their right of appeal orally by the officer and the traveller's attention is drawn to customs notice No. 11—available in the House of Commons Library—which is displayed in all search rooms. This notice advises travellers that before a strip search is undertaken they have a right of appeal to:

—a senior officer of Customs and Excise, or

—a justice of the peace

who will decide whether or not the search is justified.

MIRAS

Mr. Todd: To ask the Chancellor of the Exchequer what are the administrative costs of retaining tax relief on mortgage interest. [7987]

Dawn Primarolo: Figures for the total expenditure on this task could be obtained only at disproportionate cost.

VAT (Energy-efficient Materials)

Mr. Alan Simpson: To ask the Chancellor of the Exchequer if he will incorporate within this review of the

effects of a reduced rate of VAT for energy efficiency materials all correspondence received by his Department over the past three years, pertaining to this matter. [9194]

Dawn Primarolo: The Chancellor announced in the Budget an extension of the review on the revenue effect of a reduced rate of VAT on energy-saving materials. We want to be sure that we identify effective and efficient ways of helping those on low incomes keep warm. Customs and Excise is leading the review and is taking full account of representations previously received.

Representations (Sir David Simon)

Mr. Redwood: To ask the Chancellor of the Exchequer (1) if he will *(a)* list and *(b)* publish those representations his Department received from Sir David Simon prior to his joining the Government; [7425]

(2) if he will *(a)* list and *(b)* publish those representations his Department received from BP prior to the Budget statement. [7428]

Mr. Gordon Brown: The content and origination of representations from members of the public that the Treasury receive are treated as confidential. Their release is a matter for the individual concerned.

Ethnic Minorities

Mr. Vaz: To ask the Chancellor of the Exchequer how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8934]

Mrs. Liddell: The Treasury collects data on the ethnic origin of its staff on a confidential, self-declaration basis. When it was collected, an assurance was given that the information would be used in aggregate form only and never in a way that might enable individuals to be identified. The analysis sought cannot be given because the total number of staff in the private office of the Chancellor of the Exchequer is sufficiently small to enable the individuals to be identified.

Employment Advertisements

Ms Perham: To ask the Chancellor of the Exchequer how often since 1992 his Department has been responsible for employment advertisements that contained age restrictions upon those who could apply. [9500]

Mrs. Liddell: Age is not a criteria used in recruitment advertisements except for those who join the Treasury through the European fast stream, where there is an age limit of 31. The European fast stream offers EU-related work in the British civil service which, together with specially structured training, is designed to help young British graduates in the competitions for entry into the EU institutions. The age limit of 31 for such entrants reflects a period of training in advance of an age limit of 35 imposed by the European Commission on recruitment to the European institutions. The reason for the age limit is explained in the recruitment literature.

Construction Industry

Mrs. Ballard: To ask the Chancellor of the Exchequer what estimate the Inland Revenue has made of the degree of compliance of companies in the construction industry with changes in the application of the rules concerning the employed or self-employed status of workers in that industry. [9126]

Dawn Primarolo: Following requests from the construction industry for help in correctly determining the employment status of its workers, the Inland Revenue and Contributions Agency published new guidance in 1996. To provide uniformity of approach across the industry, construction companies were required to review the employment status of their workers and, by 5 April 1997, make necessary changes and start accounting for Pay-as-you-earn and national insurance contributions where appropriate.

It is too soon to estimate with confidence the number of workers whose employment status has been changed, but it is clear that a substantial number of companies have made changes and started to account for PAYE and NICs where appropriate.

Written Parliamentary Questions

Ms Lawrence: To ask the Chancellor of the Exchequer if he will raise the advisory cost limit of £450 for answering written parliamentary questions; and if he will make a statement. [10265]

Mrs. Liddell: The advisory cost limit was last increased in 1993—*Official Report*, 18 February 1993, column *307*—and is to be further increased to £500 from today.

The purpose and application of the advisory cost limit remain unchanged. It is intended to act as a threshold for disproportionate cost parliamentary questions. Any written PQ where the marginal cost of preparing the answer is considered likely to exceed the threshold may be refused in whole or in part on the ground of disproportionate cost. Alternatively, the Minister may decide that the PQ is to be answered irrespective of cost. There is no advisory limit for oral PQs.

The advisory limit continues to be based on eight times the average marginal cost for written PQs, which is now £62, rounded to the nearest £50 for convenience of application.

Ivory

Mr. Baker: To ask the Chancellor of the Exchequer if he will list all seizures of ivory made by Her Majesty's Customs between 1 January 1996 and 30 June 1997, giving date, quantity, type, whether whole or pieces of raw tusk, semi-worked or worked ivory, country of origin and intended country of destination for each seizure. [8166]

Dawn Primarolo *[holding answer 14 July 1997]:* The records maintained by HM Customs and Excise of finalised ivory seizures do not include all the details requested, but I am able to supply the following information for the period 1 January 1996 to 31 March 1997, which are the latest figures available. With one exception, an export to Japan, the seizures were made at the time of importation into the United Kingdom, the presumed country of destination.

The description "carving" embraces a miscellany of worked ivory wares such as bracelets, statuettes, animal figurines and other ornaments.

Description	Date of seizures	Country of export (where recorded)
3 carved tusks	10 January 1996	—
12 carvings	11 January 1996	South Africa
1 carving	3 February 1996	—
2 necklaces, 1 bracelet	6 February 1996	South Africa
1 carving	6 February 1996	—
1 necklace, 1 pair of earrings	7 February 1996	—
3 carvings	8 February 1996	South Africa
1 carving	8 February 1996	Zimbabwe
5 carvings	8 February 1996	Uganda
1 carving	12 February 1996	—
10 carvings	14 February 1996	Nigeria
1 carving	20 February 1996	—
6 carvings	15 March 1996	Thailand
2 carvings	19 March 1996	Cameroon
8 carvings	28 April 1996	South Africa
4 carvings	2 May 1996	Zambia
1 carving	4 May 1996	U.A.E.
2 carvings	8 May 1996	—
1 carving	11 May 1996	—
8 carvings	11 May 1996	—
7 carvings	20 May 1996	Ghana
5 carvings	22 May 1996	Malta
1 carving	26 May 1996	Argentina
1 carving	28 May 1996	South Africa
1 carving	30 May 1996	Ghana
7 carvings	9 July 1996	Senegal
1 carving	12 July 1996	USA
2 carved tusks	25 July 1996	Thailand
56 carvings	26 July 1996	Cyprus
2 tusks	29 July 1996	—
3 carvings	30 July 1996	—
1 pair of earrings	6 August 1996	Zimbabwe
1 carved tusk	19 August 1996	—
7 carvings	22 August 1996	—
16 chess pieces	28 August 1996	Zimbabwe
8 carvings	5 September 1996	Kenya
1 tusk	6 September 1996	—
1 carving	14 September 1996	South Africa
12 carvings	15 September 1996	—
1 tusk	21 September 1996	—
17 carvings	22 September 1996	Zambia
2 carvings	25 September 1996	Ghana
1 carving	28 September 1996	—
1 carving	28 September 1996	—
5 necklaces	28 September 1996	—
3 carvings	28 September 1996	—
8 carvings	28 September 1996	—
1 tusk	31 October 1996	South Africa
1 carving	1 November 1996	Netherlands
1 carving	4 November 1996	—
1 carving	5 November 1996	UK (to Japan)
13 carvings	8 November 1996	Uganda
1 tusk	9 November 1996	Zimbabwe
1 tusk	4 December 1996	South Africa
12 carvings	19 December 1996	Ghana
1 carving	28 December 1996	—
1 carving	16 January 1997	Nigeria
1 carving	25 January 1997	—
3 carving	28 January 1997	—
3 carving	28 January 1997	—
1 carving	28 January 1997	—
1 carving	19 March 1997	—

Multiple Births

Mr. Wigley: To ask the Chancellor of the Exchequer how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in England and Wales in each year since 1990; and how many maternities there were in each year. [8174]

Mrs. Liddell: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange a reply to be given.

Letter from Tim Holt to Mr. Dafydd Wigley, dated 21 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics (ONS), to your recent parliamentary question on multiple births.

The requested data are shown in the table below.

Maternities in England and Wales by multiplicity 1990–96

	1990	1991	1992	1993	1994	1995	1996
Singletons	692,885	685,477	675,329	659,962	650,826	633,366	634,979
Twins	7,934	8,160	8,314	8,302	8,451	8,749	8,615
Triplets	201	208	202	234	260	282	259
Quadruplets	10	10	8	12	8	7	8
Quintuplets	—	2	1	—	—	—	—
Sextuplets	—	—	—	1	—	—	—
Septuplets	—	—	—	—	—	—	1
Total	701,030	693,857	683,854	668,511	659,545	642,404	643,862

Oil Revenue

Mr. Fabricant: To ask the Chancellor of the Exchequer what are the expected revenues to the Exchequer for each of the next 10 years arising from development of the British oil fields west of the Shetland Islands. [8048]

Dawn Primarolo *[holding answer 17 July 1997]:* Reliable forecasts are not available.

Tax Measures

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer on what previous occasions the Treasury has announced by press release anti-avoidance tax measures to take effect from Budget day but not to be enacted until the Finance Bill in a subsequent year. [8139]

Dawn Primarolo *[holding answer 11 July 1997]:* None, as far as I am aware.

Budget (Leaks)

Mr. Jenkin: To ask the Chancellor of the Exchequer (1) which of his advisers had meetings with Robert Peston of the *Financial Times* prior to the Budget statement; and if they gave Mr. Peston any information concerning the Budget proposals on advance corporation tax; [7691]

(2) which of his advisers travelled back in the same aeroplane from the G7 summit as Robert Peston of the *Financial Times*; [7693]

(3) which of his advisers gave information to Robert Peston at the *Financial Times* concerning his proposals on ACT in the Budget prior to the delivery of the Budget statement to the House. [7692]

Mr. Gordon Brown *[holding answer 10 July 1997]:* Neither I nor my advisers gave Robert Peston any information about the Budget proposals on ACT in advance of my Budget statement.

Foreign Income Dividends

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer what representations he has received about his proposed abolition of foreign income dividends. [8138]

Dawn Primarolo *[holding answer 11 July 1997]:* Several companies with major international interests have made representations concerning foreign income dividends. We wish to foster the United Kingdom's role as a centre for international business. As both the Chief Secretary and the Paymaster General have made clear, we are looking sympathetically at the position of UK groups with substantial foreign income.

Mr. Gibb: To ask the Chancellor of the Exchequer if he will make a statement on the Government's plans regarding foreign income dividends. [8703]

Dawn Primarolo *[holding answer 15 July 1997]:* Payment of foreign income dividends will cease from 6 April 1999. However, in order to maintain the United Kingdom's role as a centre for international business, provision will be made in the next Finance Bill to ensure that international headquarters companies can continue to pay dividends out of foreign income without having to pay advance corporation tax.

In addition, as both the Chief Secretary and the Paymaster General have made clear, we are looking sympathetically at the position of UK groups with substantial foreign income.

Medical Insurance (Tax Relief)

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer what factors underlie the discrepancy between the figures on page 34 of the Red Book on the number of people receiving tax relief on private medical insurance premiums and that given in Inland Revenue press release No. 5 issued on the same day. [8698]

Dawn Primarolo *[holding answer 15 July 1997]:* There are two different sets of measurements: the number of contracts—or taxpayers getting relief—and the number of people covered by the contract. It is common for more than one person—usually spouses—to be covered by a contract. The lower figure of one third million quoted in the Red Book represents the number of eligible contracts and the number of people who get tax relief by making their payments net of tax. The higher figure quoted in the press release—550,000—represents the total number of individuals covered by the contracts.

TRADE AND INDUSTRY

Bank of Credit and Commerce International

Mr. Vaz: To ask the President of the Board of Trade if she will investigate the total costs of the English liquidators of BCCI to date for dealing with staff loans of former employees. [9893]

Mr. Nigel Griffiths: No. This is a matter for the liquidators and the liquidation committee of creditors. I met Tony Scott of the liquidation committee on 10 June.

Mr. Vaz: To ask the President of the Board of Trade if she will make a statement on the issue of writs by the English liquidators of BCCI against former employees of BCCI. [9891]

Mr. Griffiths: No. This is a matter for the liquidators. The bringing of any such proceedings requires the sanction of the liquidation committee.

Mr. Vaz: To ask the President of the Board of Trade how much was set aside by the BCCI liquidators for the payment of the first dividend; how much has actually been paid; what is the balance amount remaining; and what plans the liquidators have to pay a second dividend. [9895]

Mr. Griffiths: Details of the first dividend payment are given in the report of the joint liquidators to the Secretary of State, pursuant to regulation 14 of the Insolvency Regulations 1994, for the period 16 January 1996 to 15 January 1997, copies of which have been placed in the Library of the House and a copy of which I sent to my hon. Friend on 30 May 1997.

Mr. Vaz: To ask the President of the Board of Trade how much extra money has been collected by the liquidators of BCCI since the payment of the first dividend for the payment of the second dividend; and what costs and fees have been incurred by the liquidators for this. [9896]

Mr. Griffiths: This information will be contained in the next annual report of the liquidators to the Secretary of State, pursuant to regulation 14 of the Insolvency Regulations 1994 which will cover the period 16 January 1997 to 15 January 1998.

Mr. Vaz: To ask the President of the Board of Trade if she will take steps to have the costs and legal fees of the liquidators of BCCI audited by an independent accountant. [9890]

Mr. Griffiths: No. These are matters for the liquidation committee of creditors or for the court.

Newsagents

Mr. Luff: To ask the President of the Board of Trade what action she proposes to take to safeguard the future of independent retail newsagents; and if she will make a statement. [9909]

Mr. Nigel Griffiths: The Director General of Fair Trading continues to monitor the newspaper market following the Monopolies and Mergers Commission investigation into the supply of national newspapers in England and Wales in 1992–93. I understand that he is currently considering a submission from the National Federation of Retail Newsagents which calls for a further reference of the industry to the MMC.

British Overseas Trade Board

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the British Overseas Trade Board; when the board was established; by what authority; and if she will list the names of the chairman and the secretary. [9628]

Mr. Ian McCartney: The key function of the British Overseas Trade Board—BOTB—is to act as principal adviser to the Department of Trade and Industry and the Foreign and Commonwealth Office on overseas trade and the official export promotion programme.

Set up in 1972 by the then Minister of Trade, the board draws on the experience of senior British business people to help improve the export performance of UK industry and commerce, guide the Government's export promotion efforts, including the provision of export services, and provide advice on policy issues affecting international trade promotion.

The current chairman is Sir Martin Laing CBE and the secretary is Dr. Denis Walker.

Utilities Regulation

Mr. Breed: To ask the President of the Board of Trade what plans she has to revise the regulatory set-up for the utilities; and if she will make a sttaement. [8645]

Mrs. Beckett: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Delyn (Mr. Hanson) on 30 June 1997, *Official Report*, columns *20–21*.

Members' Interests

Mr. Campbell-Savours: To ask the President of the Board of Trade on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8953]

Mrs. Beckett: The first report from the Committee on Standards in Public Life Cm 2850, made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Members to declare that interest, not the Minister to know—paragraph 63 of Cm 2850. It is not practicable for Ministers and officials, among their other duties, to vet requests for meetings against the Register of Members' Interests. Should evidence of non-declaration emerge, or contravention of the resolution of the House relating to delegations to Ministers, the matter would be brought to the attention of the Parliamentary Commissioner for Standards.

Mr. Campbell-Savours: To ask the President of the Board of Trade if she will ensure that *(a)* Ministers and *(b)* officials in her Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8050]

Mrs. Beckett: The first report from the Committee on Standards in Public Life Cm 2850, recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the President of the Board of Trade (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have met commercial lobbyists to discuss matters relating to the business of her Department; and if she will introduce a register of such meetings; [8051]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if she will introduce a register of such meetings. [8052]

Mrs. Beckett: As my right hon. Friend the Prime Minister explained in response to the hon. Member for Newport, West (Mr. Flynn), *Official Report*, column *99*, Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department cannot keep a register of such meetings.

Indonesia

Ann Clwyd: To ask the President of the Board of Trade how many licences have been issued for the export of Hawk aircraft to Indonesia since 1978; and in each case what was the date of the licence and the number of aircraft covered by it. [7222]

Mrs. Roche: A licence was formally issued on 2 January 1996 in respect of the approval given for Hawk aircraft and equipment and announced by the then Minister of Trade on 19 December 1995, *Official Report*, column *1081*. This licence was for eight 100 series Hawks and 16 200 series Hawks. Six other licences, on the same date, covered equipment including weapon systems, and spares.

A licence was issued on 22 November 1996 for 16 200 series Hawks. Again, six other licences on the same date, covered equipment, including weapons systems, and spares.

To provide details of Hawk aircraft or any related spares licensed for earlier years would entail disproportionate cost.

Ann Clwyd: To ask the President of the Board of Trade if she will list the number and categories of export licences granted to Manroy Engineering Ltd. for the export of *(a)* general purpose machine guns and *(b)* other automatic weapons to Indonesia since 1988. [3436]

Mrs. Roche: Since 1991, when records became readily available, no export licences for such weapons for export to Indonesia have been issued to the company. Information for the earlier period could be provided only at disproportionate cost. The company has, however, told officials that it has not applied for licences for such weapons to Indonesia.

Ann Clwyd: To ask the President of the Board of Trade if she will list the *(a)* number and *(b)* categories of export licences granted to Broadcast and Surveillance Systems Ltd. for the export of surveillance systems to Indonesia since 1988. [3698]

Mrs Roche: Readily available records—from 1991—show that two export licences have been granted to Broadcast and Surveillance Systems Ltd., for the export of surveillance systems to Indonesia: one in September 1995 and the other in May 1996.

Both licence were for the temporary export of goods categorised under the heading ML15 of the relevant Export of Goods (Control) Order. All the exported goods have now been returned to the UK.

It is possible that goods covered by the question may have been supplied as part of a larger order, but not specifically recorded as such in the licensing database. A search of paper records to identify any of these would entail disproportionate cost, as would provision of information for the earlier period.

Ann Clwyd: To ask the President of the Broad of Trade if she will list the number of current export licence applications for command control, communication and information systems to Indonesia. [3526]

Mrs. Roche: There are no current export licence applications for command control, communication and information systems to Indonesia.

The licences issued to Procurement Services International Ltd. for Glover Webb Tactica vehicles, which was announced in the House on 9 December 1996, *Official Report*, column *30*, contained 12 Hornet command and communications vehicles, eight Tactica command and communications vehicles and two sets of communications base station equipment. This was announced in the House on 23 January 1997, *Official Report*, columns *708–709*.

Ann Clwyd: To ask the President of the Board of Trade how many licences have been granted since 1988 for the export of MP5 sub-machine guns to Indonesia; how many shipments there were; and what assurances the United Kingdom Government were given by the Indonesian authorities that the weapons would not be used for internal repression. [2772]

Mrs. Roche: Readily available records—since 1991—show no licences granted for export of these weapons to Indonesia have been issued. It is possible that goods covered by the question may have been supplied as part of a larger order, but not specifically recorded as such in the licensing database. A search of paper records to identify any of these would entail disproportionate cost, as would provision of information for the earlier period.

Ann Clwyd: To ask the President of the Board of Trade if she will provide details of the export licences granted to the Nitor group of companies for the export of firearms training systems to Indonesia since 1988. [2803]

Mrs. Roche: Firearms training systems, unless they are specialised equipment for military training or for simulating military scenarios, do not require an export licence.

Readily available records—since 1991—show that no licences have been issued to the Nitor group of companies for the export of firearms training systems to Indonesia.

To search paper export licence records for earlier years would entail disproportionate costs.

Ann Clwyd: To ask the President of the Board of Trade if she will provide details of the exports by Henckler and Koch of MP5 sub-machine guns to Indonesia. [2771]

Mrs. Roche: Details of deliveries of equipment exported are not held by my Department.

Heckler and Koch MP5 sub-machine guns are manufactured in the UK by Royal Ordnance, a subsidiary of British Aerospace.

Since 1991, when records became readily available, no licence is shown as having been issued to Royal Ordnance for export of these weapons to Indonesia.

Ann Clwyd: To ask the President of the Board of Trade if she will provide details of all licences granted for the export of *(a)* sub-machine guns, *(b)* machine guns, *(c)* assault rifles, *(d)* automatic rifles and *(e)* sniper rifles to Indonesia, in each of the last three years. [2773]

Mrs. Roche: In the three years to 15 July 1997, readily available records show that only one licence has been issued for the export of such weapons rated under heading ML1 of the Export of Goods (Control) Order to Indonesia. The export licence was issued in 1995 and was for 10 sniper rifles for the Indonesian armed forces. It is possible that goods covered by the question may have been supplied as part of a larger order, but not specifically recorded as such in the licensing database. A search of paper records to identify any of these would entail disproportionate cost.

Ann Clwyd: To ask the President of the Board of Trade how many licences have been granted for the export of close quarter battle facilities and firearms training systems to Indonesia since 1988; and if she will provide details of the Indonesian security and military training for which the equipment was intended. [2804]

Mrs. Roche: Readily available records—since 1991—show that three export licences have been issued for the export of close quarter battle facilities and firearms training systems to Indonesia; in one case, the goods were destined for the Indonesian for the Indonesian army headquarters for army training. The other two were temporary licences, the goods destined for the Indonesian

Department of Defence and Security for demonstration to the Indonesian armed forces. These two temporary licences were subsequently returned to the DTI unused.

It should be noted, in general, that firearms training systems, unless they are specialised equipment for military training or for simulating military scenarios, do not require an export licence.

A search of records for earlier years would entail disproportionate cost.

Ann Clwyd: To ask the President of the Board of Trade if she will list the number of export licences granted in each year since 1990 for export to Indonesia of *(a)* machine guns, *(b)* automatic cannon and *(c)* 7.62 mm ammunition. [18467]

Mrs. Roche: From readily available records—dating from 1991—the numbers of licences issued specifically for these goods for export to Indonesia are as follows:

	1991	*1992*	*1993*	*1994*	*1995*	*1996*	*1997*
Machine guns	—	—	—	—	1	—	—
Automatic cannon	—	—	—	—	—	—	—
7.62 mm ammunition	—	—	2	—	1	—	—

In addition, one further licence was issued in 1995 for 30 in ammunition which is interchangeable with 7.62 mm ammunition.

It is possible that goods covered by the question may also have been supplied as part of a larger order, but not specifically recorded as such on the licensing database. A search of paper records to identify any of these, and for any such items licensed in 1990, would entail disproportionate cost.

Dr. Tonge: To ask the President of the Board of Trade if she will revoke the licences for Hawk jets to Indonesia granted in November 1996. [9146]

Mrs. Roche: Any decision to revoke an export licence issued before 1 May by my Department would be announced to the House.

Ann Clwyd: To ask the President of the Board of Trade how many licence applications are awaiting approval for the export of sub-machine guns and other automatic weapons to Indonesia. [2774]

Mrs. Roche: At 10 July, four individual export licence applications had been received which included such weapons for Indonesia. These will be considered in light of the Government's commitment not to license for export arms to regimes that might use them for internal repression or international aggression.

Armoured Vehicle Exports

Ann Clwyd: To ask the President of the Board of Trade (1) if she will list *(a)* the export licences granted since 1988 to (i) GKN and (ii) GKN Defence or Glover Webb for the export of Saxon vehicles and *(a)* their destination; [3385]

(2) which export licences granted since 1988 to *(a)* GKN, *(b)* GKN Defence and *(c)* Glover Webb for the export of Saxon vehicles covered associated equipment to provide electrified deterrents. [3637]

Mrs. Roche: To search export licences issued for these companies for Saxon vehicles would entail disproportionate cost.

Ann Clwyd: To ask the President of the Board of Trade if she will make a statement on the export licences granted since 1988 to *(a)* GKN, *(b)* GKN Defence and *(c)* Glover Webb for the export of (i) armoured vehicles, (ii) armoured personnel carriers and (iii) internal security vehicles to Nigeria since 1988. [3638]

Mrs. Roche: From readily available records—since 1991—no export licences have been issued to the companies in question for such equipment for Nigeria. Information for the earlier period could be provided only at disproportionate cost.

Ann Clwyd: To ask the President of the Board of Trade if she will list the export licences granted to *(a)* Procurement Services International and *(b)* Greys Defence Systems for the export of Tactica and Hornet vehicles to (i) Brunei, (ii) Malaysia and (iii) Turkey. [3695]

Mrs. Roche: Readily available records show that Procurement Services International was granted two temporary export licences for Tactica vehicles to Turkey. One was in May 1995 and the goods were returned to the UK approximately three months later. The other was in October 1996 and as yet has not been used. A temporary licence was also granted for Hornet vehicles to Malaysia in November 1996. There is no record of licences having been granted to PSI in respect of exports to Brunei. Nor is there any record of export licences having been granted to Greys Defence Systems for the export of Tactica or Hornet vehicles.

Nitor Group of Companies

Ann Clwyd: To ask the President of the Board of Trade how many licences have been granted to the Nitor group of companies for the export of *(a)* training systems and *(b)* close quarter battle facilities in each of the last five years; which countries the licences related to; and how many of the training facilities were for *(a)* military forces, *(b)* security police, *(c)* paramilitary forces and *(d)* special forces units. [2802]

Mrs. Barbara Roche: Two licences have been issued to the Nitor group for training systems, both in 1992. One was for targets for shooting practice to the Singapore Ministry of Defence, and the other for firing range targetry equipment to the Saudi Arabian Ministry of Defence and Aviation. No export licences are recorded as having been granted to this company for close quarter battle facilities training systems.

Export Licences

Ann Clwyd: To ask the President of the Board of Trade if she will list the *(a)* number and *(b)* categories of export licences granted to Manroy Engineering Ltd., for the export of the Manroy L80 Manpack CS mist backpack sprayer; and if she will indicate the destination (i) countries and (ii) agencies for this equipment. [3697]

Mrs. Roche: Readily available records—since 1991—show no licences issued for this equipment. The company has informed my officials that this equipment did not go into production.

Johore Jungle Warfare School

Ann Clwyd: To ask the President of the Board of Trade if she will list the number and details of export licences granted for military training equipment within category ML14, to the Johore jungle warfare school, Malaysia, and the types of equipment covered by the licence. [18310]

Mrs. Roche: From readily available records—dating from 1991—there is no record of any export licence being issued for equipment rated under heading ML14 for Malaysia showing the Johore jungle warfare school as the end user.

It is possible that goods covered by the question may have been supplied as part of a larger order, but not specifically recorded as ML14 in the licensing database. A search of paper records to identify any of these would entail disproportionate cost.

Minister for Trade and Competitiveness in Europe

Mr. Letwin: To ask the President of the Board of Trade on what date the Minister for Trade and Competitiveness in Europe dispensed with the car and driver provided to him by BP. [8750]

Mrs. Beckett: Wednesday 7 May 1997.

Mr. Fallon: To ask the President of the Board of Trade, pursuant to her answer of 10 July, *Official Report*, column *601*, on the Minister for Trade and Competitiveness in Europe, if she will list those energy issues which she defines as not bearing on British Petroleum. [9016]

Mrs. Beckett *[holding answer 17 July 1997]:* In order to ensure compliance with "Questions of Procedure for Ministers", the Minister does not see papers, or take part in discussions or decisions, that could rise to a conflict of interest with his past or his present private interests in BP. As QPM also makes clear, these are ultimately matters for his judgment.

Mr. Redwood: To ask the President of the Board of Trade if she will define those *(a)* papers the Minister for Trade and Competitiveness in Europe cannot see and *(b)* matters he cannot decide which (i) have a bearing on and (ii) affect BP. [9327]

Mrs. Beckett *[holding answer 18 July 1997]:* In order to ensure compliance with "Questions of Procedure for Ministers", the Minister does not see papers, or take part in discussions or decisions, which could rise to a conflict of interest with his past or his present private interests in BP. As QPM also makes clear, these are ultimately matters for his judgment.

Mr. Redwood: To ask the President of the Board of Trade if she will list the meetings the Minister for Trade and Competitiveness in Europe has held since 7 May with *(a)* executives and *(b)* directors of BP. [9112]

Mrs. Beckett *[holding answer 17 July 1997]:* Since 7 May, the Minister for Trade and Competitiveness in Europe has had no formal meetings with executives of BP. He has had three meetings with directors of BP to deal with matters relating to the handover of his duties. He has also attended three farewell social engagements hosted by BP.

Mr. Redwood: To ask the President of the Board of Trade when the Minister of Trade and Competitiveness in Europe last visited a BP office or installation since becoming a Minister. [9113]

Mrs. Beckett *[holding answer 17 July 1997]:* The Minister for Trade and Competitiveness in Europe has visited no BP installation since his appointment on 7 May 1997. He visited BP's offices at Finsbury circus on Friday 9 May to clear his desk and again on Wednesday 4 June for his farewell reception.

Ethnic Minorities

Mr. Vaz: To ask the President of the Board of Trade how many and what percentage of employees, in each pay band, in the quangos for which her Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9581]

Mr. Nigel Griffiths: My Department is responsible for 22 executive non-departmental public bodies, 25 advisory bodies and seven tribunals, considering the 28 industrial tribunals as one body. I regret that the information requested by my hon. Friend is not held centrally and could be provided only at disproportionate cost.

Mr. Vaz: To ask the President of the Board of Trade how many civil servants there are in total on each pay band in her Department. [9582]

Mr. Griffiths: There are 3,950 civil servants in the DTI, excluding agency and Government office staff, with the following numbers by grade:

Current serving grade	*Number of staff*
Assistant Librarian	18
Assistant Statistician	10
Administrative Assistant	216
Assistant Information Officer	2
Administrative Officer	676
Administration Trainee	12
Administration Trainee (Europe)	2
Chief Investigation Officer	1
Communications Officer IV	2
Deputy Chief Investigation Officer	7
Economic Assistant	13
Executive Officer	672
Grade 6	98
Grade 7	541
Higher Executive Officer	594
Higher Executive Officer D	33
Higher Executive Officer D (Europe)	3
Higher Mapping and Charting Officer	1
Higher Professional and Technology Officer	10
Higher Scientific Officer	12
Higher Scientific Officer (Development)	11
Insolvency Grade A	3
Insolvency Grade B	17
Insolvency Grade C	24
Investigation Officer	57
Information Officer	16
Legal Officer	5
Legal Trainee	2
Librarian	16
Mapping and Charting Officer	3
Petroleum Specialist 3	3
Petroleum Specialist 4	5

Current serving grade	Number of staff
Petroleum Specialist 5	2
Principal Research Officer	1
Personal Secretary	146
Professional and Technology Officer	1
Reservoir Evaluation Specialist 3	8
Reservoir Evaluation Specialist 4	13
Reservoir Evaluation Specialist 5	1
Research Officer	1
Senior Economic Assistant	5
Senior Examiner (Patents Office)	1
Senior Librarian	9
Senior Civil Service	175
Senior Engineering Inspector (Electricity)	4
Senior Executive Officer	189
Support Grade Band 1	25
Support Grade Band 2	59
Senior Information Officer	16
Science Management Trainee	2
Support Manager 3	7
Scientific Officer	3
Senior Personal Secretary	41
Senior Profession and Technology Officer	30
Senior Research Officer	4
Senior Scientific Officer	27
Sandwich Course Student	24
Translator Grade 1	2
Translator Grade II	5
Typing Manager	4
Typist	60
Total	3,950

Some grades have separate London and national pay scales.

A new staffing and pay system for staff below the senior civil service, replacing grades by ranges grouped into three bands, will be introduced on 1 August.

Acquired Rights Directive

Sir Teddy Taylor: To ask the President of the Board of Trade what infraction proceedings have been instigated by the European Commission against the United Kingdom with regard to the acquired rights directive—collective redundancy consultation—and if she will make a statement. [9204]

Mr. Ian McCartney *[holding answer 18 July 1997]:* We have had contact with the Commission on this subject and it is under review.

Space Programme

Mrs. Gillan: To ask the President of the Board of Trade what steps she is taking to develop a strategy for ensuring that the purely scientific aspects of Earth observation from space are fully integrated into the research council system. [9423]

Mr. Battle *[holding answer 18 July 1997]:* Mechanisms are already in place, through the British National Space Centre partnership and the responsibilities of the Natural Environment Research Council, for ensuring that the scientific aspects of Earth observation are fully integrated into the research council system. NERC, as well as the Office of Science and Technology, is a partner in BNSC and NERC staff are fully involved in the definition and implementation of BNSC's EO activities. NERC's responsibilities include the promotion and support of high-quality basic, strategic and applied research in EO and NERC expenditure on such EO research is currently about £6 million a year.

Mrs. Gillan: To ask the President of the Board of Trade what steps she is taking to ensure that the United Kingdom investment in the European Space Agency Envisat Earth observation satellite yields the fullest returns to the United Kingdom in terms of its commercial, strategic and scientific potential. [9437]

Mr. Battle *[holding answer 18 July 1997]:* The United Kingdom has been more successful than any other ESA country in winning announcements of opportunity for scientific and strategic exploitation of data from ESA's European remote sensing satellites. We are also one of the leading countries in the development of commercial applications of Earth observations. The British National Space Centre is aiming to continue this success by working with ESA, the EU, Government Departments, industry and academia to ensure an effective infrastructure for processing, archiving, and distribution Envisat data combined with continuing promotional and applications development support.

Mrs. Gillan: To ask the President of the Board of Trade what additional funding the United Kingdom space science mission will receive to compensate for PPARC's inability to fund the appropriate United Kingdom involvement in some of ESA's science missions. [9434]

Mr. Battle *[holding answer 18 July 1997]:* The Particle Physics and Astronomy Research Council received an allocation from the science budget of £200.65 million—including provision for its international subscriptions—for 1997–98. Within that allocation, it is for PPARC to determine its priorities, including deciding whether and at what level it should participate in ESA missions.

Mrs. Gillan: To ask the President of the board of Trade what monitoring PPARC undertakes of the comparative industrial spin-off of its space science expenditure including the ESA subscription against that of its expenditure on ground-based astronomy and particle physics. [9433]

Mr. Battle *[holding answer 18 July 1997]:* As the only research council which exclusively supports basic research, the Particle Physics and Astronomy Research Council's mission requires it to "take account" of the potential for contributing to the UK's industrial competitiveness, as opposed to the requirement on the other research councils to place "special emphasis" on this issue. Nevertheless, PPARC seeks to ensure that UK industry benefits from contracts for the construction of major facilities, and that technologies developed for research are exploited in industry.

PPARC is developing performance indicators to help to monitor the number of contracts won by UK companies, and the extent to which the academic community collaborates with companies. As contracts placed by ESA are linked to the level of the UK's subscription, and the high-technology contracts placed by the Gemini telescope project are linked to the level of the UK's participation in the project, there are already good opportunities for UK companies to win contracts. While UK companies already benefit substantially from contracts from ESA, they have not done so well at winning supply contracts

from CERN—although they have been more successful at winning service contracts. To address this, PPARC, jointly with the DTI has appointed an industrial co-ordinator to promote to UK industry the opportunities that the new large Hadron collider at CERN will provide.

The PPARC industrial programme support scheme — PIPSS—was launched in 1994 to promote technology transfer from technology research groups to industry. Thirty-four projects totalling £1.6 million have been awarded over three years.

Global Free Trade

Mrs. Gillan: To ask the President of the Board of Trade what steps she is taking to achieve tariff-free trade across the globe by 2020; and if she will make a statement. [9424]

Mrs. Roche *[holding answer 18 July 1997]:* I refer the hon. Member to the answer given to the right hon. Member for Eddisbury (Mr. Goodlad) on 14 July 1997, *Official Report,* column *71.*

Cot Mattresses

Mr. Öpik: To ask the President of the Board of Trade if she will ban inclusion of *(a)* phosphorus, *(b)* arsenic and *(c)* antimony compounds in the composition of cot mattresses; and if she will make a statement. [5843]

Mr. Nigel Griffiths *[holding answer 1 July 1997]:* The use of phosphorus, arsenic and antimony in cot mattresses is currently being considered by the Expert Committee on Cot Death Theories set up by the chief medical officer in November 1994. This committee is due to report to the chief medical officer at the Department of Health.

Coal Authority

Mr. Ronnie Campbell: To ask the President of the Board of Trade when the Coal Authority's report and accounts for 1996–97 will be laid before Parliament. [10086]

Mr. Battle: I have today laid a copy before each House of Parliament.

AGRICULTURE, FISHERIES AND FOOD

Live Animal Exports

Mr. Forth: To ask the Minister of Agriculture, Fisheries and Food if he will list for the review of animal welfare controls on live exports *(a)* the expected completion date and *(b)* the cost of conducting the review. [8236]

Mr. Morley: The conclusions of this review will be announced as soon as practicable. Work such as this on the validation of procedures is part of the Department's planned activities and does not result in an addition to running costs.

Mr. Etherington: To ask the Minister of Agriculture, Fisheries and Food how many *(a)* live sheep and *(b)* consignments of live sheep were exported from Dover on 5 July; what was (i) the place of departure and (ii) the final destination given on the route plan in respect of each consignment; what was (1) the time of departure and (2) the time of arrival at final destination of each consignment; where each consignment received the 24-hour break stipulated by the Welfare of Animals (Transport) Order 1997 and if a full 24 hours was spent there; how many livestock vehicles were turned away from Dover by his officials on 5 July and for what reasons; and if he will make a statement. [8537]

Mr. Morley: Four vehicles containing 2,280 sheep were exported from Dover on 5 July. Two locations in Italy were declared as the destinations and the place of departure was in Essex. The ship departed from Dover at 01.00 and the animals were due to arrive at their destinations during the early morning of 7 July having received two 24-hour rest periods, one at the start of the journey and the other at premises in Belgium during the journey. In the port of Dover, two vehicles were served with an enforcement notice requiring the animals to be accommodated in premises close to Dover because the vehicles did not meet the additional criteria necessary for a journey of over more than eight hours, as required by schedule 7 to the Welfare of Animals (Transport) Order 1997.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what steps he takes to establish the journey times taken for each movement of non-human primates from entry into the crate in the country of export to arrival at point of destination in this country; if he sets a maximum journey time for such journeys; and if he will make a statement. [8216

Mr. Morley *[holding answer 14 July 1997]:* There are no statutory limits on journey times for such animals. The Welfare of Animals (Transport) Order 1997, implementing directive 91/628 as amended, sets transport conditions and specifies that animals which are subject to the convention on international trade in endangered species—CITES—shall be transported in compliance with CITES guidelines or the standards set by the International Air Transport Association. Enforcement of the order is a matter for local authorities.

Green Pound

Mr. Swinney: To ask the Minister of Agriculture, Fisheries and Food if he will bring into operation compensation provisions for farmers to take into account the appreciation of the green pound; and if he will make a statement. [9547]

Mr. Rooker: I refer the hon. Member to the reply given to the hon. Member for Ashford (Mr. Green) on 3 July, *Official Report,* column *261.*

Tuberculosis

Mr. Clifton-Brown: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the security of Britain's tuberculosis-free status. [8893]

Mr. Rooker: The officially tuberculosis-free status of individual cattle herds in the United Kingdom is protected by routine tuberculin testing and by post mortem examination of cattle at the time of slaughter or killing.

BSE Research (Primates)

Dr. Tony Wright: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement of the use of primates in BSE research commissioned by his Department. [9127]

Mr. Rooker: The Department has commissioned no research on BSE which involves the use of primates.

Cattle Cull

Mr. Alan W. Williams: To ask the Minister of Agriculture, Fisheries and Food if he will list the changes in the level of payment and terms for cattle entering the over-30-months scheme since its introduction. [8929]

Mr. Rooker: The information requested is as follows:

Date	Basic rate in ecu/kg		Sterling rate for cull cows and bulls liveweight £/kg		Sterling rate for cull cows and bulls deadweight £/kg		Sterling rate for clean cattle liveweight £/kg	Sterling rate for clean cattle deadweight £/kg
	Cows	Bulls	Cows	Bulls	Cows	Bulls		
29 April 1996	1.0		0.86		1.71		1.11	2.22
18 June 1996	1.0		0.86		1.71		1.01	2.02
1 July 1996	1.0		0.83		1.66		0.98	1.96
14 July 1996	1.0		0.83		1.66		0.93	1.86
5 August 1996	1.0		0.83		1.66	1.41	0.93	1.58
1 September 1996	1.0		0.83		1.66	1.41	0.88	1.50
21 October 1996	0.9		0.75		1.50	1.28	0.80	1.36
1 November 1996	0.9		0.73		1.46	1.24	0.78	1.33
2 November 1996	0.9		0.73		1.46	1.24	0.73	1.24
1 February 1997	0.9		0.69		1.38	1.17	0.69	1.17
1 April 1997	0.9		0.67		1.34	1.14	0.67	1.14
1 July 1997	0.9		0.65		1.30	1.10	0.65	1.10
4 August 1997	0.8	0.9	0.58	0.65	1.15	1.10	0.65	1.10

1. The sterling rate of compensation has been reduced on six occasions as a result of green pound fluctuations.
2. Compensation is fixed in terms of payments per kilogram live weight. Where cattle are not weighed live, a coefficient —of 2 for cows and 1.7 for all other cattle—is applied to the recorded dead weight.
3. A degressive top-up payment for clean cattle—heifers and steers—originally set at 25p/kg was available for the first six months of the scheme. The original top-up payment is still available for clean cattle that were over 30 months of age on 17 June 1996.
4. With effect from 25 November 1996, the minimum period during which an animal has to be present on a UK holding before becoming eligible for the scheme was increased from three months to six months.
5. With effect from 4 August 1997, payment will be limited to a maximum weight of 560 kg per animal.
6. All basic rates of payment in ecu or sterling apply to cows and bulls unless otherwise indicated.

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking to help beef farmers cope with recent changes in the compensation regime. [9539]

Mr. Rooker: The changes to the compensation arrangements for the over-30-months scheme, which will apply from 4 August, have been introduced to reduce scheme expenditure, which is considerable. Providing financial assistance to offset the impact of the changes would frustrate the objective of reducing scheme expenditure.

Nevertheless, in the period leading up to 4 August, it is recognised that some farmers will accelerate their culling patterns to benefit from the current compensation rates. The Intervention Board has made provision for abattoirs to slaughter more animals than would otherwise have been accepted in this period, although it can not rule out the possibility that demand will exceed the capacity available.

Mr. Pickthall: To ask the Minster of Agriculture, Fisheries and Food what estimate he has made of the cost to farmers of the introduction of the weight limit on cull cattle compensation. [9542]

Mr. Rooker: The effect of the weight limit on farmers' incomes will depend on the weight of the animals being presented. For a typical suckler cow farmer culling five cows per year, each weighing 620 kg, the reduction in income arising from the introduction of the weight limit and the lower compensation rate for cull cows will be about £395.

The weight limit and the reduced compensation rate for cull cows are being introduced to reduce expenditure on the over-30-months scheme, which is expected to amount to well over £200 million this year in compensation alone.

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the effect on farmers' incomes of the change in the base rate of compensation for over-30-months cattle to begin on 4 August. [9541]

Mr. Rooker: I refer my hon. Friend to the reply given to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) on 4 July, *Official Report*, columns *296–97*.

BSE

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the percentage of the total Government expenditure relating to the BSE crisis that reaches farmers. [9540]

Mr. Morley: Of the £1.54 billion expenditure on BSE in 1996–97, about 60 per cent. was paid to farmers primarily through the over-30-months scheme and top-ups to the suckler cow and beef special premium schemes.

Intervention Stocks

Mr. Sedgemore: To ask the Minister of Agriculture, Fisheries and Food if he will list the intervention stocks which have been sold to third countries in each of the last five years for which figures are available, indicating for each year the price and overall volume and the relevant world market price at time of sale. [8996]

Mr. Rooker: The information requested is as follows:

Intervention product	*Calendar year*	*Quantity sold to third countries (tonnes)*	*Sale price per tonne (£)*	*World market price (£)*
Beef				
	1992	18,212	[1]1,200.70	[2]—
	1993	19,863	[1]1,401.83	[2]—
	1994	49,940	[1]1,061.1	[2]—
	1995	6,276	[1]1,582.46	[2]—
	1996	0		
Barley				
	1992	367,851	[3]68.34	[4]—
	1993	225,362	[3]59.64	[4]—
	1994	519,592	[3]64.07	[4]—
	1995	91,930	[3]68.01	[4]—
	1996	0		
Butter and skimmed milk powder				
	1992	0		
	1993	0		
	1994	0		
	1995	0		
	1996	0		

[1] Intervention beef is sold by cut and different cuts have different sale prices. The sale prices shown are therefore average sales prices for all the cuts concerned. The work involved in establishing the individual sale prices for each of the cuts sold for each sale could be provided only at disproportionate cost.

[2] The world beef market is fragmented and prices vary considerably according to the export zone and/or country concerned. Consequently, there is not a recognised and established world market price for beef.

[3] The sale prices shown are average sale prices. The work involved in establishing the individual price for each sale could be provided only at disproportionate cost.

[4] The work involved in establishing the world market price at the time of sale could be provided only at disproportionate cost.

Certified Herds Scheme

Mr. Swinney: To ask the Minister of Agriculture, Fisheries and Food (1) what estimate he has made of the percentage of beef herds in *(a)* Scotland, *(b)* England, *(c)* Wales and *(d)* Northern Ireland which would be eligible under the export certified herds scheme for re-entry into world beef markets; [9548]

(2) what estimate he has made of the percentage of beef herds in *(a)* Scotland, *(b)* England, *(c)* Wales and *d)* Northern Ireland which would be eligible under a date-based certified herds scheme, using a cut-off date of 1 August 1996, for re-entry into world beef markets. [9549]

Mr. Rooker: Discussions on an export certified herds scheme and a date-based export scheme are still at an early stage in Brussels. Some 84 per cent. of beef suckler herds in Great Britain and 98 per cent. of such herds in Northern Ireland have never experienced a case of BSE, but it is not possible to estimate the proportions of these or other herds that would have eligible animals for export under either scheme until the rules have been finalised.

Cormorant Cull

Mr. Soames: To ask the Minister of Agriculture, Fisheries and Food if he will order a cormorant cull. [9599]

Mr. Morley: Cormorants are protected by the 1979 EC birds directive, implemented in the UK by the Wildlife and Countryside Act 1981. This Act provides for them to be shot under licence in strictly limited numbers in cases where they are causing serious damage to a fishery and where there is no other satisfactory solution. There are no powers to undertake a general cull.

Sheep Dips

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the environmental consequences of the use of synthetic pyrethroid sheep dips; and if he will make a statement. [9702]

Mr. Rooker: As with all veterinary medicines, no sheep dip is authorised for use unless it meets stringent statutory requirements for safety, quality and efficacy. Safety includes safety of the environment.

Following its review in 1996 of the effectiveness of the certificate of competence scheme for the purchase of organophosphorus sheep dips, the independent scientific Veterinary Products Committee—VPC—which advises Agriculture and Health Ministers on veterinary medicines, has begun a further review of the use of non-OP sheep dips, including synthetic pyrethroid dips. Ministers expect to receive the VPC's advice later this year.

South-west Regional Service Centre

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food if he will list the *(a)* target and *(b)* performance data percentage for each of the services provided by (i) the regional service centre in Exeter and (ii) the Truro office of the regional service centre in each year since 1992. [9658]

Mr. Morley: Performance targets were introduced for some schemes in 1993–94 in "Commitment to Service" as part of the citizens charter arrangements. Further schemes were covered subsequently. Information on the main common agricultural policy and other schemes in the south-west region is as follows:

Performance data for South-west RSC

(all figures shown as percentages)

Scheme	*Target*	*1993–94*	*1994–95*	*1995–96*	*1996–97*
Administered from Exeter					
Arable Area Payments Scheme	*Advanced oilseed payments* made by end September	—	100	n/a	100
	Final oilseed payments made within 60 days of publication of rate by EU	—	100	n/a	100
	Main payments made between 16 October and 31 December	—	100	73	99
Five-year Set-aside Scheme	Claims received by 30 September paid by 15 December	100	100	100	100
Hill Livestock Compensatory Allowances	Claims paid within three months of receipt	96	83	74	95
Sheep Annual Premium Scheme	Final payment made by the end of the April following scheme year (or if rate not fixed until after 1 April, within one month of public announcement of rate)	86	94	99	96
Suckler Cow Premium Scheme	Advanced payments to be made within three months of scheme closing date; balance to be paid by 30 June	—	99	99	99
Beef Special Premium Scheme	*Advanced payments* made by 15 December if retention period completed by 1 November, otherwise within six weeks of end of retention period	—	98	97	98
	Balance payments made by 30 June in year following claim	—	—	99	100
	Applications processed and CIDs issued within 10 working days of receipt	—	99	98	99
	Premium claimed CIDs returned before end of retention period	—	99	99	99
Farm Woodland Premium Scheme	*Applications* accepted or rejected within 1 month of receipt	100	100	100	100
	Claims received by 1 August paid between 17 October; those received after 1 August paid within three months of receipt	100	[1]0	100	100
Environmentally Sensitive Areas—Dartmoor and Blackdown Hills[1]	*Applications:* in first year agreement or rejection of application six months after end of application period; for existing claims, within four months	—	99	100	100
	Claims: received by 1 October paid by 30 November except Stage IV claims (Blackdown Hills) received by 1 March paid by 30 April	—	54	95	100
	Conservation Plan applications: accepted or rejected within three months of receipt or completion of Management Agreement (whichever is later)	—	100	100	100
	Conservation Plan claims: paid within two months of receipt	—	100	100	100
Administered from Truro[4]					
Agricultural Improvement Scheme	Claims paid within three months of receipt	100	100	100	100
Farm and Conservation Grants Scheme (Capital Grants) 1991	*Applications* accepted or rejected within four months of receipt	[2]95	98	100	—
	Claims paid within three months of receipt	[2]98	99	100	100
Farm and Conservation Grants Scheme (Capital Grants) 1989	*Plan Claims* paid within three months of receipt	[2]—	100	69	100
	Non-plan claims paid within three months of receipt	[2]—	99	100	43
Environmentally Sensitive Areas—West Penwith	*Applications:* in first year agreement or rejection of application 6 months after end of application period; for existing claims, within four months	100	100	100	66
	Claims: received by 1 October paid by 30 November except Stage IV claims (Blackdown Hills) received by 1 March paid by 30 April	100	100	100	99
	Conservation Plan applications: accepted or rejected within three months of receipt or completion of Management Agreement (whichever is later)	—	100	100	90
	Conservation Plan claims: paid within two months of receipt	—	100	100	66

[1] Due to a combination of changes in FEOGA reimbursement dates and the difficulties of linkage with charter targets and payment dates, a large proportion of payments were made after target date for 1994–95.
[2] Data for 1989 and 1991 schemes aggregated.
[3] Not designated until 1994.
[4] Performance in respect of countryside stewardship scheme and objective 5(b) is not covered by the citizens charter.
n/a not available.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food what the estimated redundancy costs of closing the Truro office of the regional service centre. [9660]

Mr. Morley: It is too early to say what redundancy costs there might be. We are closing the office over a period of six months or so to find alternative employment for as many of the staff as possible and have appointed a resettlement officer to assist with that objective.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food how many staff were employed in the regional service centre in Exeter on *(a)* full-time, *(b)* part-time and *(c)* temporary contracts in each year since 1992. [9662]

Mr. Morley: The table shows the number of staff in post at Exeter as at 1 April each year from 1992. This includes field inspectors out-stationed from Exeter, including at Truro, but who form part of the Exeter RSC. Data on part-time staff are compiled on a head count basis.

Staffing figures for the Exeter RSC, April 1992 to April 1997

	Permanent		*Temporary*		
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Total*
Figures as at:					
1 April 1992	60	8	16	0	84
1 April 1993	105	13	24	3	145
1 April 1994	104	10	72	2	188
1 April 1995	137	10	44	1	192
1 April 1996	154	17	10	0	181
1 April 1997	204	20	5	0	229

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food if he will list the number of representations received by his Department *(a)* supporting and *(b)* opposing his decision to close the Truro office of the regional service centre. [9657]

Mr. Morely: We have received a petition and a number of letters from organisations and individuals, all opposing the decision to close the Truro office.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food how many staff were employed on less than *(a)* £2.50 per hour, *(b)* £3 per hour, *(c)* £3.50 per hour, *(d)* £4 per hour and *(e)* £4.50 per hour in the regional service centre in Exeter in each year since 1992. [9659]

Mr. Morley: This information could be supplied only at disproportionate cost.

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food how many staff were made redundant from the regional service centre in Exeter in each year since 1992. [9661]

Mr. Morely: None.

Departmental Reorganisation

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his Department's policy on consultation with respect to departmental reorganisation. [9664]

Mr. Morley: Departmental organisation is a matter for internal decision, bearing in mind the jobs to be done and the need for efficient and economic administration. It is not a subject for public consultation or negotiation, although we consider very carefully representations made by interested bodies and individuals. We do, of course, consult fully with the departmental trade union side on the effects of our decisions on our staff.

Food Chemical Surveys

Mr. Michael John Foster: To ask the Minister of Agriculture, Fisheries and Food what plans he has to ensure that the public are properly informed of the results of food chemical surveys for which his Department has a responsibility; and if he will make a statement. [10072]

Mr. Rooker: The Government believe that the public should be properly informed about all food safety matters. I have therefore decided to make some important changes to improve the reporting of results from our regular food chemical surveys. I plan to increase the amount of information available about surveys and ensure wider publication of the results. For all relevant surveys, the full results for individual samples, including brand names, will be given. Furthermore, I will open up the food chemical surveillance programme to greater public scrutiny by publishing information on surveys to be undertaken.

I endorse fully the view that we must release the results fairly and provide the public with the best possible advice on their significance. These changes will benefit consumers by enabling them to make a more informed choice about the food that they buy. The only surveys which will be excluded from these arrangements are those for which brand names have no bearing on the interpretation of the results, such as dietary surveys involving individual people or exploratory surveys aimed at developing analytical methods.

In addition, I propose to review the current arrangements for reporting surveys on pesticides, veterinary residues and microbiological safety of food, which are administratively different from food chemical surveys. I will report on proposed changes to the House as soon as possible.

NORTHERN IRELAND

Obesity

Mr. Martyn Jones: To ask the Secretary of State for Northern Ireland what new initiatives her Department is planning in respect of obesity; and if she will make a statement. [8745]

Mr. Worthington: A multi-agency action plan aimed at increasing the levels of physical activity among the sedentary population is presently being developed and people who are obese will be one of the target groups. In addition, "Eating and Health—A food and nutrition strategy for Northern Ireland", which was published in November 1996, aims to improve nutrition including the reduction of obesity in Northern Ireland.

Drumcree March

Mr. McNamara: To ask the Secretary of State for Northern Ireland what was the cost of the police action to enable the Drumcree march to take place. [8771]

Mr. Ingram: The cost of the police action to enable the Drumcree march to take place is not currently available. I will write to my hon. Friend when the costing has been finalised.

Multiple Births

Mr. Wigley: To ask the Secretary of State for Northern Ireland how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in Northern Ireland in each year since 1990; how many maternities there were in each year; and how many multiple births in each category were conceived as a result of (i) in vitro fertilisation, (ii) gamete intra-fallopian transfer and (iii) other forms of assisted conception. [8178]

Mr. Worthington: The information requested is set out in the table:

Type	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*[1]1996*
Sets of							
(a) twins	267	315	258	308	303	324	311
(b) triplets	5	6	8	9	6	7	11
(c) quadruplets						2	2
(d) quintuplets		1					
(e) sextuplets							
(I) IVF[2]							
(i) twins	12	11	N/K	N/K	N/K	N/K	N/K
(ii) triplets	2	1	N/K	N/K	N/K	N/K	N/K
Maternities	26,338	26,058	25,425	24,729	24,119	23,663	24,398

[1] Provisional.
[2] These figures are as result of IVF by year of conception.
Gamete intra-fallopian transfer (GIFT) was available in Northern Ireland only in 1986 and 1987.

WALES

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Wales (1) on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests; [8061]

(2) if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8058]

Mr. Ron Davies: I do not intend to hold or attend any meetings solely for the purpose of discussing Members' registered interests.

Welsh Language Teaching

Mr. Dafis: To ask the Secretary of State for Wales what proposals he has to ensure that Welsh will be a core subject under the national curriculum at key stage 4 from 1999. [8913]

Mr. Hain: The White Paper "Building Excellent Schools Together", Cm 3701, published on 8 July, re affirmed the manifesto commitment to the teaching of Welsh in schools in Wales. Welsh is compulsory at key stage 4 in Welsh-speaking schools, and will remain so. The regulations to make it a compulsory part of the curriculum for 14 to 16-year-olds in non-Welsh-speaking schools from September 1999 are already in place. I regard it as essential that all schools should now be actively preparing themselves for the full implementation of national curriculum requirements at key stage 4 from that date, and that their school development plans and prospectuses should set out what they are doing in that regard.

There are 10 secondary schools in Wales that do not currently come within the scope of the regulations to make Welsh compulsory from 1999. The Curriculum and Assessment Authority for Wales will be consulting on a proposal to bring them into line with all other non-Welsh-speaking schools from that date.

Multiple Births

Mr. Wigley: To ask the Secretary of State for Wales how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in Wales in each year since 1990; and how many multiple births in each category were conceived as a result of (i) in vitro fertilisation, (ii) gamete intra-fallopian transfer and (iii) other forms of assisted conception. [8176]

Mr. Win Griffiths: The available information on multiple maternities in Wales recorded by the Office for National Statistics is as follows:

	1990	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*
Twins	397	416	423	399	431	417	436
Triplets	11	6	8	8	11	14	12
Quadruplets	1	0	0	1	0	1	1
Quintuplets	0	1	0	0	0	0	0
Sextuplets	0	0	0	0	0	0	0

Figures relating to multiple births following assisted conception are only available for the United Kingdom as a whole and are contained in the Human Fertilisation and Embryology Authority annual report, copies of which are held in the Library of the House.

School Pupils (Exclusion)

Mr. Burstow: To ask the Secretary of State for Wales how many children with statements of special educational needs were permanently excluded from schools in Wales in *(a)* 1993–94 and *(b)* 1994–95; and what each figure was as a proportion of the total number of children permanently excluded from schools. [8723]

Mr. Hain: The information requested is not held centrally.

Quangos

Mr. Alan Williams: To ask the Secretary of State for Wales how many of the contracts of Secretary of State appointees to quangos expire by April 1999. [9552]

Mr. Ron Davies: Of the appointments to public bodies which I make, singly or jointly with other Ministers, 399 are due to expire before 1 April 1999. I announced on 13 June 1997 the new procedures for making public appointments in Wales, and I will write to my right hon. Friend with details of that announcement.

Mr. Williams: To ask the Secretary of State for Wales what estimate he has made of the management costs of all-Welsh quangos. [9556]

Mr. Davies: I refer my right hon. Friend to the reply that I gave my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr. Rowlands) on 4 June 1997, *Official Report*, column *204*.

Mr. Williams: To ask the Secretary of State for Wales (1) what action he proposes to reduce unnecessary quango administrative costs before April 1999; [9551]

(2) what action he will take to abolish quangos before April 1999; [9555]

(3) what action he proposes better to coordinate the Welsh Development Agency, the Land Authority for Wales and Development Board for Rural Wales before April 1999. [9557]

Mr. Davies: I will announce my proposals in the White Paper, which is to be published tomorrow.

Mr. Williams: To ask the Secretary of State for Wales what studies have been undertaken of unnecessary quango administrative costs; and if he will place them in the Library. [9553]

Mr. Davies: All non-departmental public bodies are subject to a comprehensive review at least every five years. The reviews test firstly whether an NDPB's function is required at all and if so, the scope for contracting out, privatising or transferring any of the functions to another body. The second stage considers the whole system of financial management and control, including administration costs, within the body.

Copies of the action plans of the financial management and policy reviews are available in the Library of the House.

Lead Water Pipes

Mr. Rhodri Morgan: To ask the Secretary of State for Wales what consultations he has had with Dwr Cymru in relation to the rate at which lead piping in the water supply system will be replaced *(a)* between the main road tapping point up to the customer's premises and *(b)* in the public mains supply. [9914]

Mr. Ron Davies: On 8 July, the drinking water inspectorate, which advises me on drinking water quality matters, published a report on "Nitrates, Pesticides and Lead 1995 and 1996" which describes the actions being taken by the water companies to reduce levels of lead in water supplies. The measures taken include the replacement of lead communication pipes and table 5.8 in that report includes the numbers of such pipes replaced by Dwr Cymru in 1995 and 1996. In addition, Dwr Cymru's response to the Government's 10-point plan launched at the water summit describes the grants available from the company to its customers toward the cost of replacing lead supply pipes and plumbing. Copies of both reports are in the Library of the House.

SOCIAL SECURITY

Incapacity Benefit

Mr. Edward Davey: To ask the Secretary of State for Social Security if she will review the eligibility criteria of the all work test, with particular reference to its application to people suffering from chronic fatigue syndrome; and if she will make a statement. [3345]

Mr. Denham: We are aware of concerns about the way incapacity benefit all work tests are applied to sufferers of chronic fatigue syndrome. As part of the general review of social security provision, we will look at a number of eligibility issues, including those surrounding the all work test, and seek to ensure that the test provides a fair assessment of incapacity for benefit purposes.

Mr. Davey: To ask the Secretary of State for Social Security if she will review the length of the transition period between a failed all work test and the subsequent withdrawal of incapacity benefit. [3346]

Mr. Denham: The Government are committed to looking across the range of current social security provision to ensure that it meets our objectives for a modern welfare system to take us into the next century. A key priority will be to provide more support to enable people to make the transition from benefit into employment. In this context, we will look at what changes are necessary to ensure that the particular needs of people who have disabilities, or who have lost contact with the labour market through long-term sickness, are provided for.

Reduced Earnings Allowance

Mr. Chaytor: To ask the Secretary of State for Social Security (1) how many people in the United Kingdom have received letters confirming the award of reduced earnings allowance *(a)* for life and *(b)* until a specified date beyond the date on which the benefit was abolished; [5378]

(2) if she will issue a circular letter to hon. Members to assist them in giving advice to constituents who receive letters from her Department confirming the award of reduced earnings allowance for life, or until a specified date beyond the date on which the benefit was abolished. [5377]

Mr. Denham: The information is not available in the format requested.

Any of the 24,000 over pension age reduced earnings allowance recipients who transferred to retirement allowance after March 1996 may have had earlier letters advising that their award would continue for life or a specified period.

We are currently reviewing the arrangements for the transfer of REA recipients to RA and will consider whether a circular letter to hon. Members would be appropriate when that review is completed.

National Insurance

Mr. Pond: To ask the Secretary of State for Social Security what estimate she has made of the additional revenue resulting from the abolition of the upper earnings limit on the payment of national insurance contributions. [5458]

Mr. Denham: An estimated £4.05 billion would be raised in a full year if the upper earnings limit on employees' class 1 contributions and the upper profits limit on class 4 contributions paid by self-employed people were removed and about 3.75 million people would become liable to pay more contributions.

The figures assume that the current 10 per cent. class 1 contribution rate would apply to earnings above the present upper earnings limit, the current 6 per cent. class 4 contribution rate would apply to profits above the present upper profits limit and that an upper earnings limit would remain in place for the calculation of employee and employer contracted-out rebates.

Source:
Government Actuary's Department.

Asbestos-related Conditions

Mr. Dismore: To ask the Secretary of State for Social Security how many applications made to the War Pensions Agency in respect of asbestos-related conditions have not yet been determined. [6485]

Mr. Denham: The information is not readily available and could be obtained only at disproportionate cost.

Mr. Dismore: To ask the Secretary of State for Social Security (1) how many war pensioners are in receipt of *(a)* a pension and *(b)* a gratuity in respect of (i) pleural plaques, (ii) diffuse pleural thickening, (iii) asbestosis, (iv) mesothelioma, (v) lung cancer and (iv) other conditions attributable to asbestos exposure during their service in (1) the Royal Navy, (2) the Royal Air Force and (3) the Army; [6493]

(2) if she will list the *(a)* highest, *(b)* lowest and *(c)* average pension and gratuity paid for asbestos-related conditions over the last five years in respect of (i) pleural plaques, (ii) diffuse pleural thickening, (iii) asbestosis, (iv) mesothelioma and (v) lung cancer. [6491]

Mr. Denham: The information is not readily available and could be obtained only at disproportionate cost.

Retirement Pensions

Ms Walley: To ask the Secretary of State for Social Security (1) what assessment she has made of the impact on income of paying retirement pensions on the first Monday after a 65th birthday and not on the day on which a pensioner reaches pensionable age; [6850]

(2) what representations she has received in respect of financial loss for the days before the pay day following retirement; and if she will make a statement; [6848]

(3) what plans she has to review the payment of pensions on a weekly basis; and if she will make a statement; [6847]

(4) what estimate she has made of the annual cost of paying the retirement pension on the day on which a pensioner reaches pensionable age. [6849]

Mr. Denham: The Government are committed to reviewing all the main areas of insecurity that affect pensioners. The key objectives of the review will be that pensioners should have an adequate income in retirement, that they should share fairly in rising national prosperity and that public finances should be both sustainable and affordable.

I have received a number of representations from hon. Members on the issue of retirement pension pay days. Retirement pension is a weekly benefit paid in advance from the first pay day, usually a Monday, on or after the 65th birthday. In assessing the impact on income, account needs to be taken of the fact that, although retirement pension is paid in advance, income received immediately preceding retirement, such as earnings and most social security benefits, are generally paid in arrears. Most pensioners are therefore entitled to a week's pension within a week of receiving their last income.

Account also needs to be taken of the fact that, as a consequence of the pension being paid in advance, any change of circumstances which would result in reduction of benefit, such as hospitalisation, is effective only from the next pay day. In addition, no benefit is recoverable in respect of the week in which the pensioner dies.

The estimated gross annual cost of paying retirement pension for the days between state pension age and the first retirement pension pay day is £22 million.

We will announce shortly our pensions review which will examine all aspects of the basic pension and its value. We will consider any representations that are submitted on this issue.

We will retain the basic state pension as the foundation of pension provision, increasing it at least in line with prices.

Notes
1. Estimate provided by the Government Actuary's Department. This cost is in 1997–98 prices and is the gross cost to the national insurance fund. Some £1 million of this cost would be offset by reduced payments of widow's benefit where cases transfer from widow's benefit to retirement pension.

Cyclical Social Security

Mr. Prior: To ask the Secretary of State for Social Security if she will list *(a)* the categories of people in receipt of cyclical social security, *(b)* the number of recipients in each category and *(c)* the total amount paid or forecast to be paid for each year between 1995 and 2002. [6809]

Mr. Keith Bradley: Our objectives is to reduce poverty and welfare dependency and to promote work incentives. One of our first steps is to focus on helping people off welfare and into work.

The information is not available in the format requested. Such information as is available is in the table.

Category	*Case Load (000s) 1995–96*	*Expenditure (£ million) 1995–96*	*1996–97*	*1997–98*	*1998–99*	*1999–2000*
Unemployed						
Unemployment benefit	433	1,102	574	0	0	0
Income support	1,656	4,823	2,212	0	0	0
Jobseeker's allowance—(contribution based)	0	0	425	619	619	626
Jobseeker's allowance—(income based)	0	0	2,414	4,150	3,848	3,673
Lone parents						
Income support	1,060	4,265	4,205	4,344	4,363	4,453
Short-term sick						
Income support	163	364	390	446	478	509
Long-term sick and disabled						
Income support	808	2,858	2,984	3,378	3,723	4,098
Widows and others						
Income support	251	494	531	577	608	648
Total cyclical social security	4,236	13,906	13,736	13,515	13,638	14,008

1. Figures for expenditure have been taken from the 1997 social security departmental report, tables 1, 4 and 5, and are given in £ millions. Estimates of expenditure for the years 2000–01 and 2001–02 are not available.
2. Figures for case load are based on data collected in February and are given in thousands. They are consistent with those given in tables 6 and 7 in the 1997 social security departmental report. Figures split by broad groups of recipients are not available for years after 1995–96 on the same basis. It is estimated that in 1995–96 135,000 people received both income support and unemployment benefit.
3. Figures given may not sum due to rounding.
4. Income support paid to a person aged 60 and above is treated as part of the social security control total—i.e. it is not cyclical social security—irrespective of whether that person would also fit one of the other categories listed in the table.

Mr. Prior: To ask the Secretary of State for Social Security what is her Department's definition of cyclical social security. [6810]

Mr. Bradley: Cyclical social security is defined as the jobseeker's allowance and income support paid to people under the age of 60.

Housing Benefit

Mr. Hancock: To ask the Secretary of State for Social Security what was the total amount paid out in housing benefit in *(a)* 1974, *(b)* 1979, *(c)* 1988, *(d)* 1992, *(e)* 1993, *(f)* 1994, *(g)* 1995 and *(h)* 1996. [6680]

Mr. Keith Bradley: Our objective is to reduce poverty and welfare dependency and to promote work incentives. We will develop a system that supports work, savings and honesty.

The information is set out in the table:

Housing Benefit expenditure	*£ million*
1974–75	[1]237
1979–80	[1]1,238
1988–89	3,763
1992–93	7,901
1993–94	9,213
1994–95	10,120
1995–96	10,885
1996–97	11,523

1. The current housing benefit scheme was introduced in April 1988. The 1974–75 and 1979–80 figures are an approximation of the housing benefit expenditure component of supplementary benefit.
2. Figures for 1988–89 to 1996–97 are taken from the 1997 DSS departmental report and show total expenditure paid by local authorities in the relevant years.

Computers (Century Date Change)

Mr. David Atkinson: To ask the Secretary of State for Social Security if she will make a statement on her Department's timetable for dealing with the year 2000 computer problem; who is in charge of the project; how many staff are working on it; what is the proected cost of resolving the problem; and whether the project is on schedule. [7135]

Mr. Keith Bradley: The central information and technology unit, CITU, through its agent the Central Computer and Telecommunications Agency, CCTA, has set a model timetable and framework for Government Departments to follow to ensure that business-critical systems are year 2000 compliant and thoroughly tested well in advance of 2000. The Department is on course to meet this timetable.

The Department of Social Security has established a year 2000 project led by the Information Technology Services Agency, ITSA, to co-ordinate the extensive activity across DSS. An ITSA director, reporting to the chief executive, leads the work. There is a project manager and a core team of five staff to take the project forward within the CCTA-approved framework. In addition, each business unit has appointed co-ordinators and staff to work with the project which is working within the CCTA-approved framework for managing IT projects. The departmental board, chaired by the permanent secretary, is receiving regular reports on progress.

The project is on schedule. The Department's main computer systems have now been fully analysed for year 2000 compliance and plans to complete the necessary changes are being implemented. All the major benefit and recording computer systems supporting the day-to-day delivery of social security will be amended by the end of 1998 to permit a full year's processing before 2000. Like any large organisation, the Department also makes full use of a wide range of personal computers and commercial software packages. We are working closely with external suppliers to assess the year 2000 compliance of these products and other non-IT areas.

The total projected cost to the Department has been estimated at £30 million. A further review is to be carried out at the end of August 1997 to enable updated, costed plans to be produced in October.

Council Tax Benefit

Mr. Todd: To ask the Secretary of State for Social Security what plans she has to alter the assumption on income from capital in calculating council tax benefit from the current rate of £1 per week for each £250 held over £3,000. [7241]

Mr. Keith Bradley: I refer my hon. Friend to the reply I gave my hon. Friend the Member for Wakefield (Mr. Hinchliffe) on 2 July, *Official Report*, columns *205–206*.

Family Credit

Mr. Kirkwood: To ask the Secretary of State for Social Security how many households claimed family credit in each of the last five years; and if she will make a statement. [7181]

Mr. Keith Bradley: Work is the best form of welfare for people of working age. We will develop a system that supports work, savings and honesty. Our objective is to reduce poverty and welfare dependency and to promote work incentives.

The information is in the table.

Year	*Family credit case load*
November 1992	458,800
November 1993	525,000
November 1994	584,300
November 1995	648,700
November 1996	725,300

Notes:

1. Figures are rounded to the nearest 100 cases.
2. Figures relate to the family credit live case load at 30 November each year.
3. Case load represents the number of families receiving family credit. If a household contains more than one family receiving family credit—for example, lone parents in a shared household—that household would be counted more than once.
4. Figures are based on a 5 per cent. sample and subject to a degree of sampling error.

Source:

Analytical services division 5 per cent. sample of family credit awards.

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Social Security on what occasions *(a)* Minister and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8057]

Ms Harman: The first report of the Committee on Standards in Public Life, Cm 2850, made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest not the Minister to know—paragraph 63 of Cm 2850. It is not practicable for Ministers and officials, among their other duties, to vet requests for meetings against the Register of Members' Interests.

Mr. Campbell-Savours: To ask the Secretary of State for Social Security if she will ensure that *(a)* Ministers and *(b)* officials in her Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8054]

Ms Harman: The first report of the Committee on Standards in Public Life, Cm 2850, recognised the value of enabling Members to retain interests outside the House, provided these were properly declared both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Social Security (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have met commercial lobbyists to discuss matters relating to the business of her Department; and if she will introduce a register of such meetings; [8055]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in her Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if she will introduce a register of such meetings. [8056]

Ms Harman: As my right hon. Friend the Prime Minister explained in response to my hon. Friend the Member for Newport, West (Mr. Flynn) on 2 June, *Official Report*, column 99, Ministers and officials in the Department receive deputations from many groups who

are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department cannot keep a register of such meetings.

Uxbridge Benefits Agency

Mr. Oaten: To ask the Secretary of State for Social Security (1) if she will make a statement on the current proposals to move staff from the Uxbridge Benefits Agency office to the Harrow Benefits Agency office; [9332]

(2) if she will extend the current consultation period for the proposed move of staff from the Uxbridge Benefits Agency office to the Harrow Benefits Agency office; and if she will make a statement; [9333]

(3) what estimate she has made of the amount of money which will be saved by the transferral of Benefits Agency activities form the Uxbridge Benefits Agency office to the Harrow Benefits Agency office; and if she will make a statement. [9334]

Mr. Field: One of our key aims is that delivery of service should be simpler and more efficient. To maintain and improve the level of service while keeping within announced spending totals, managers are proposing to move the processing of benefits from the Benefits Agency office at Uxbridge to the Harrow office but, as the hon. Member will see, the Benefits Agency guarantees that the range of services offered to the public will be unaltered. Queries on operational mattes are for the chief executive of the Benefits Agency, Peter Mathison. I have asked him to reply to the hon. Member directly and for his reply to be published with the answer.

Letter from Peter Mathison to Mr. Mark Oaten, dated 18 July 1997:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Questions concerning the Benefits Agency (BA) offices at Harrow and Uxbridge.

The BA is currently undertaking a reappraisal of its services and the way they are delivered, in order to maintain and improve the level of service whilst keeping within the spending targets that have been set for the next two years.

The agency is committed to ensuring that people will get the help they need to claim the benefits they are entitled to. The Chilterns Area Directorate remains committed to providing a high level of service to its customers and equal access to the benefit system for all members of the public.

It is proposed to move processing staff from Uxbridge to the Harrow site. The two offices are only 11 miles apart with excellent transport links. The range of services offered to the public will be unaltered. The BA would normally only consult with outside organisations in cases where there would be a significant change in services provided. In this case, in addition to consulting staff, outside organisations were consulted, as a matter of good practice. There are no plans therefore to extend the consultation period.

Staff have been aware of the proposals since November 1996, they were disclosed to local customer organisations earlier this year and have also been reported in the local press. A letter was issued to local Members of Parliament and outside organisations on 9 July, asking for comments by 30 July, a copy of which is attached. All comments and representations will be taken in account before any decision is made.

It is expected that by making better use of existing building space, this project will save £7.9 million of public money, based on a 20 year business case. In the first 5 years the savings will be on average £370k per year.

I hope you find this reply helpful.

Text of consultation letter

Dear

I am writing to let you know about proposed changes to the way we process and maintain claims to benefit in the Harrow and Hillingdon offices.

At this point I would like to reassure you that this would be an internal reorganisation and does not involve the closure of any public caller facilities.

Current Position

Until recently we have always had a full claims processing and claims maintenance operation at both Colham House, Uxbridge, and King's House, Harrow.

However, when the new Job Seekers Allowance was introduced in October last year, we moved the processing and maintenance of claims for unemployed customers into the five local Job Centres. This is a more practical arrangement as it means that these customers can deal with both job search and benefits issues at the same time.

With our staff now spread over seven sites (5 Job Centres and 2 Benefits Agency offices) the building space at Colham House and King's House is not being used efficiently, and I have to look at ways of rationalising our estate to make the best use of resources and to ensure value for money.

Proposed Changes

We propose to move all remaining processing and claims maintenance work from Colham House, Uxbridge to King's House, Harrow starting in November this year. There will be no change to the arrangements for personal callers who go to our Uxbridge office, and staff remaining at Colham House will be able to deal with all enquiries and make Crisis Loan payments as they do now.

Advances in Information Technology allow us to process claims off-site, and staff are linked by computer terminals and a telephone network to allow them instant access to customer information to answer queries and give advice.

As most of the contact we have with customers is by phone or correspondence, the changes would be largely invisible to your constituents. In fact we would expect to be able to raise the quality of the service we provide because of the increased viability gained from the merger of processing work into a larger unit.

In the longer term I would also be looking to improve caller facilities at Uxbridge by vacating Colham House completely and moving to more suitable premises in the town centre.

I am discussing these proposals with our staff and customer organisations. I welcome your views and would appreciate a response by 30 July 1997.

I look forward to hearing from you.

Yours sincerely

Jane Manning (Mrs)

Vaccine Damage Compensation Scheme

Mr. Burstow: To ask the Secretary of State for Social Security if she will make a statement on her Department's review of the operation of the vaccine damage compensation scheme, with specific reference to *(a)* the 80 per cent. disability rule and *(b)* the six-year rule; and what groups and individuals her Department intends to consult in connection with the review. [8830]

Mr. Denham: I refer the hon. Member to the reply I gave my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson) on 17 July, *Official Report*, column *242*.

Welfare to Work

Helen Jones: To ask the Secretary of State for Social Security what estimate she has made of the number of single parents in Warrington, North who will benefit from the Government's welfare-to-work policy. [9212]

Mr. Keith Bradley: My right hon. Friend the Secretary of State today launched the historic new deal for lone parents, fulfilling the Government's manifesto commitment to help lone parents get off benefit and into work. In the first phase, up to 40,000 lone parents will be contacted over eight areas throughout the UK and offered help in finding work. Up to 4,300 lone parents will be contacted in north Cheshire, which includes Warrington, North. The programme will be rolled out nationally from October 1998.

The new deal for lone parents marks a radical new approach to welfare and is central to our plans for long-term reform of the welfare state. A unique feature of the scheme is the use of new technology to help co-ordinate benefit, employment and career services. This will start in Cambridge and later roll out across the other areas. From today, lone parents will be given a helping hand up into work, not just a hand out of benefit. Lone parents on income support with school age children will get their own personal adviser who will help them develop their own individual plan of action on job search, training and child care. The personal adviser will explain how the lone parent can be better off in work than on benefit and help them with family credit.

Disability Living Allowance

Mr. William Ross: To ask the Secretary of State for Social Security what plans she has to re-examine the entitlement of persons receiving disability living allowance. [7148]

Mr. Denham *[holding answer 7 July 1997]:* Our aim is to restore confidence in the social security system by having systems which promote honesty and integrity and ensure that people are receiving their correct entitlement.

Over the next two to three years, in addition to the normal maintenance of disability living allowance claims, the Benefits Agency will be making inquiries by post and through home visits of around 425,000 DLA recipients to establish whether the correct amount of benefit is being paid.

Written Answers to Questions

Tuesday 22 July 1997

HOME DEPARTMENT

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for the Home Department if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10191]

Mr. Straw: The information requested for reviews which have already been announced is set out in the table.

Review	*(a) Purpose*	*(b) expected completion date*
Immigration detention policy, *Official Report*, 23 June, column *358*.	Internal review of all aspects of immigration detention policy	Autumn 1997
Vulnerable and intimidated witnesses, *Official Report*, 3 July, column *236*.	Interdepartmental review to look at further ways of assisting vulnerable witnesses—such as victims of rape and of domestic violence—and providing witnesses with greater protection from intimidation.	Aims to report to Ministers by end 1997
Prison and Probation Services, *Official Report*, 16 July, columns *172–73*.	To look at ways in which the better integration of the two services could improve their performance and effectiveness. The review will include looking at the structure and organisation of the Probation Service, to complement the review of the Prison Service which is already under way.	Initial report by end 1997

In addition, my Department will be playing a full part in the Government's comprehensive spending review, details of which will be announced shortly.

Referendums

Sir Richard Body: To ask the Secretary of State for the Home Department what criteria the Government use to determine whether constitutional changes should be submitted to a referendum. [10206]

Mr. Mike O'Brien: Legislation is currently before Parliament to enable referendums to be held on the Government's proposals for devolution to Scotland and Wales.

We have also indicated that referendums will be held on the proposed strategic authority for London, on the voting system for elections to the House of Commons and in the regions on the questions of whether regional government should be established.

Our manifesto made it clear that Britain would not join a single currency unless the people had said yes in a referendum.

Other referendums may also be held when the Government and Parliament consider it appropriate.

Abbas Radiom Case

Sir Richard Body: To ask the Secretary of State for the Home Department what procedural changes in respect of appeals concerning right of abode he plans following the European Court ruling in the Abbas Radiom case; and if he will make a statement. [10212]

Mr. Mike O'Brien: The Special Immigration Appeals Commission Bill, which is currently before Parliament, would give a right of appeal to European Economic Area nationals in the small number of cases where the Secretary of State has decided that their exclusion, removal or departure from the United Kingdom would be conducive to the public good. There is currently no right of appeal in such cases.

Dogs (Experimentation)

Mr. Cohen: To ask the Secretary of State for the Home Department, pursuant to his answer of 4 June, *Official Report*, column *175*, how many of the project licences issued under the Animal (Scientific Procedures) Act 1986 to experiment on non-purpose-bred dogs in 1995 covered procedures classified as being of *(a)* mild, *(b)* moderate and *(c)* substantial severity; at what kind of establishments these procedures were carried out; what was the nature of the research; and if these dogs were obtained directly from individual owners who had kept them as pets. [9005]

Mr. George Howarth: The 66 non-purpose-bred dogs which were acquired from non-designated sources in the United Kingdom were used under four different project licences; three were of mild severity and one of moderate. In all cases, the work was carried out in veterinary schools.

A variety of breeds was used for studies relevant to the specific breed or type of dog involved. Two of the projects involved research into reproductive hormone levels in dogs. The third was a study of inherited diseases in dogs and the last was an animal welfare study to improve post-operative care of dogs undergoing clinical veterinary surgery.

The majority of procedures involved taking blood samples for subsequent analysis. The remainder involved administration of analgesia. In all cases, the owner's consent to use the dogs was obtained. The dogs were later certified as fit to be discharged from the controls of the Animals (Scientific Procedures) Act 1986 and were returned to their owners.

Violent Offences

Mr. Clappison: To ask the Secretary of State for the Home Department if he will list the main types of offences which fall into the category of violent offences. [9073]

Mr. Michael: Violent crime comprises the offences groups of violence against the person, sexual offences and robbery. A breakdown of the offence classifications within each offence group is given in the table.

Violence against the person

Homicide—murder, manslaughter and infanticide

Attempted murder

Threat or conspiracy to murder

Child destruction

Causing death by dangerous driving or careless driving when under the influence of drink or drugs

Causing death by aggravated vehicle taking

Wounding or other act endangering life

Endangering railway passenger

Endangering life at sea

Other wounding

Abandoning a child under the age of two years

Child abduction

Procuring illegal abortion

Concealment of birth.

Sexual offences

Buggery

Indecent assault on a male

Indecency between males

Rape of a female

Rape of a male

Indecent assault on a female

Unlawful sexual intercourse with a girl under 13

Unlawful sexual intercourse with a girl under 16

Incest

Procuration

Abduction

Bigamy

Gross indecency with a child.

Robbery

Robbery.

Private Sector Housing (Neighbours)

Mr. McDonnell: To ask the Secretary of State for the Home Department if he will introduce measures to protect residents in the private housing sector from intimidation, harassment and nuisance from their neighbours. [9172]

Mr. Michael: We intend to introduce community safety orders in the Crime and Disorder Bill. Under our proposals, courts will be given the power to grant such orders on the application of a local authority or the police. The order will apply to a named individual or individuals and would require that person or persons to desist from specified anti-social behaviour. A breach of the order will be a criminal offence which would carry stiff penalties—including the possibility of imprisonment. An order will be able to protect the residents of private houses from anti-social behaviour by their neighbours in the same way that it will protect other people.

Employment Advertisements

Ms Perham: To ask the Secretary of State for the Home Department how often since 1992 his Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9502]

Mr. Straw: Recruitment advertisements for assistant immigration officers include a minimum age limit of 18 and advertisements for Prison Officers include minimum and maximum age limits of 20 and 50 respectively. In addition, advertisements for psychological assistants in the Prison Service and for candidates for the prison officer accelerated promotion scheme included age restrictions until 1995.

Apart from these exceptions, it is not Home Office policy for employment advertisements to include age restrictions. It is possible that a small number of individual advertisements since 1992 may have contained age restrictions, but this could be checked only at disproportionate cost.

Road Rage

Mr. Cox: To ask the Secretary of State for the Home Department how many motorists were convicted of offences associated with road rage in the greater London area during the last 12 months. [9294]

Mr. Michael: The information requested is not available. "Road Rage" is not an offence covered by separate statute and motorists involved in criminal behaviour are likely to be charged with an offence appropriate to the circumstances in each case. None of these can be separately identified, as the statistics do not include details of the circumstances.

Immigrants (Employment Restrictions)

Ms Oona King: To ask the Secretary of State for the Home Department how many times employers have been investigated under section 8 of the Asylum and Immigration Act 1996; in how many cases employers have been prosecuted under this act; and what level of fines were imposed in these cases. [9490]

Mr. Mike O'Brien: The approach of the Immigration Service towards section 8 of the 1996 Asylum and Immigration Act is that if, during the course of normal operational activity, an employer is found to have breached section 8 they will be advised of its provisions and issued with a warning letter. The warning letter informs them that if they continue to offend consideration will be given to prosecution. There is no central record of the number of warning letters issued and there have been no prosecutions under section 8 to date.

Immigration (Former Yugoslavia)

Mr. Sheerman: To ask the Secretary of State for the Home Department what is his Department's policy in respect of those who entered the United Kingdom under the 1,000 quota rule from the former Yugoslavia; and if he will allow them to regularise their status in the United Kingdom. [9852]

Mr. Mike O' Brien: I refer my hon. Friend to the reply that I gave to my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) on 16 July, *Official Report*, columns *176–78*.

Special Constables

Mr. Sheerman: To ask the Secretary of State for the Home Department what discussions he has had with the Police Federation about representation of special constables following the disbandment of NASCO. [9869]

Mr. Michael: I have not yet discussed the special constabulary with the Police Federation. I am aware that the working group on the special constabulary could not find a satisfactory answer to the question of representation and suggested that the Home Office meet the relevant bodies and representatives of the special constabulary to explore whether some form of formal representation for specials would be possible. This will be included in our work following the working group's report. I have an open mind on the issue and will seek the views of the Police Federation and other groups in due course.

Mr. Sheerman: To ask the Secretary of State for the Home Department if he will list the percentage of special constables who have left the force in each of the last five years for which figures are available. [9844]

Mr. Michael: The in-post and wastage figures for special constables over the past five years are as follows:

Year ending	*In-post*	*Resignations*	*Percentage*
31 December 1992	19,243	3,982	20.7
31 December 1993	20,573	4,224	20.5
31 March 1995	20,026	4,474	22.3
31 March 1996	19,736	4,488	22.7
31 March 1997[1]	19,836	4,169	21.0

[1] The figures for 1996–97 are provisional.

Mr. Sheerman: To ask the Secretary of State for the Home Department if he will assess the advantages of providing special constables with a retainer as an incentive to remain on the force. [9846]

Mr. Michael: A pilot scheme, whereby special constables could qualify for a bounty payment of £200 on completion of 125 hours in a six-month period, was conducted in Dorset between 1991 and 1993. The results were inconclusive. While the number of hours performed by the specials increased slightly, the scheme had no effect on recruitment or retention. There is therefore no evidence to confirm that a retainer would have a marked effect on the wastage rate.

Nevertheless, we will be considering the question of a bounty payment following the report of the working group on the special constabulary. The working group was against such a payment, but the Audit Commission, in its "Streetwise" report of last year, was in favour of retainers. These views will be taken into account and the police staff and local authority associations consulted before decisions are made.

Police forces are tackling the wastage rate in other ways with the support of the working group's recommendations and over £9 million of Government grant has been provided during the past two years to improve the training, equipment, and terms and conditions of specials. This is already having an effect as the number of specials leaving the service in 1996–97 is down by 319 on the previous year.

Police National Computer

Mr. Mitchell: To ask the Secretary of State for the Home Department what plans he has to update the police national computer directly from courts. [9840]

Mr. Michael: The technical options by which court results could be entered directly onto the police national computer are being investigated by the committee for the co-ordination of the criminal justice system, under the direction of the cross-departmental trials issues group. It is too early yet to arrive at any conclusions.

HOUSE OF COMMONS

Employment Advertisements

Ms Perham: To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, how often since 1992 the Commission has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9562]

Mr. Kirkwood: It is not the policy of the House of Commons to include age restrictions on eligibility in employment advertisements. The Establishments Office of the House, which is responsible for advising Departments on the content of employment advertisements, is not aware of any instance of age restrictions appearing in an advertisement since 1992.

Ethnic Minorities

Mr. Vaz: To ask the hon. Member for Roxburgh and Berwickshire, representing the House of Commons Commission, how many and what percentage of employees in the House of Commons are of *(a)* Asian origin and *(b)* Afro-Caribbean origin, broken down by grade. [9561]

Mr. Kirkwood : The ethnic monitoring of staff employed by the Commission has been in place since 1988. This is on a voluntary basis and not all staff choose to respond to the ethnic monitoring questionnaire. The numbers and approximate percentages, by grade, of employees of *(a)* Asian origin and *(b)* Afro-Caribbean origin are:

Grades	*Total number of Staff in Post*	*(a) Number*	*(a) Percentage*	*(b) Number*	*(b) Percentage*
2–5	61	1	Approximately 2	Nil	—
6–12	362	4	1	Less than 1	
12 and Below	538	6	1	13	2
Parliamentary Works Directorate Craft Grades	83	2	2	3	4
Refreshment Department Catering Grades	266	10	4	20	8

Grades have been grouped to protect confidentiality.

Telephone Number

Mr. Gorrie: To ask the hon. Member for Roxburgh and Berwickshire representing the House of Commons Commission if the Commission will consider introducing an 0345 phone number for the House. [9647]

Mr. Kirkwood: There are no plans currently to do so, since it would commit the House to bearing a large part of the costs of any call received on such a number.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Housing

Mr. Cox: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he is having with London borough councils in respect of new proposals to build houses; and if he will make a statement. [9097]

Mr Raynsford: The Government's capital receipts Initiative will make additional resources available to local authorities to help meet housing need. In some London boroughs this might entail support for the building of new houses in partnership with registered social landlords. The Government are currently consulting on its proposals and we look forward to receiving local authorities comments.

Energy Efficiency

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what support his Department has given to the development and commercialisation of the technology described in FP50 over the last 10 years. [8984]

Angela Eagle: Higher efficiency motors have been available for a number of years and my Department recommended their use. However, sales were very low because they were about 25 per cent. more expensive than an equivalent standard motor.

To overcome this cost barrier my Department supported, through the energy efficiency best practice programme, a club research project that lead to the development of a higher efficiency motor that did not carry a premium price. The project, managed by motor manufacturer Brook Hansen, cost £12 million and the Government's contribution was £4 million. More recently, further support has been provided to disseminate the results of the project via a range of publications and promotional events. We are also supporting the European Commission's work to promote the use of higher efficiency motors.

The new motors are currently saving industry around £2 million per year in reduced electricity costs. It is estimated that these savings will eventually reach about £120 million per year, when there is a much greater range of models available and other manufacturers catch up. In terms of reducing greenhouse gas emissions, savings of £120 million wold equate to a reduction of some 3 million tonnes of carbon dioxide per year.

Air Quality (Brent Cross)

Mr. Dismore: To ask the Secretary of State for the Environment, Transport and the Regions what are the present air quality standards in the vicinity of Brent Cross shopping centre, with reference to *(a)* carbon monoxide, *(b)* nitrogen oxide, *(c)* nitrogen dioxide and *(d)* particulate material below 10 microns; what are the pertinent European limits for *(a)* to *(d)*; and if he will make a statement. [9185]

Angela Eagle: As part of its national air quality monitoring programme, my Department, in collaboration with local authorities, monitors air pollutants using automatic and non automatic methods across London. The two automatic monitoring stations closest to the Brent Cross shopping centre are (i) an urban background station in the Kingsbury area of the London boroughs of Brent and (ii) a roadside station situated next to the A41 Great North Way at Swiss Cottage, in the London borough of Camden. The results of this monitoring for carbon monoxide, nitrogen oxide, nitrogen dioxide and particulate material below 10 microns, measured during 1996, are presented in the Table below.

Site	*Carbon monoxide—max 8 hour running mean*	*Nitrogen oxide—98th percentile of hourly means*	*Nitrogen dioxide—98th percentile of hourly means*	*Particles (PM10) max 24 hour average*
Brent	8.00 ppm	191 ppb	55 ppb	61 ug/m3
Camden	Not measured	397 ppb	57 ppb	77 ug/m3

My Department also monitors nitrogen dioxide using non-automatic methods, in collaboration with local authorities, in its national diffusion tube survey. The results from the sites nearest to the shopping centre, for 1995, are given in the table.

London Borough	*Location*	*Site type*	*Annual mean (ppb)*
Barnet	158 Burnt Oak Broadway, Edgware	Kerbside	21
Barnet	32 Sanders Lane, Mill Hill	Background	18
Barnet	158 Burnt Oak Broadway, Edgware	Intermediate	17
Barnet	42 Lytton Road, New Barnet	Background	17
Brent	Abbydale Road, Alperton, Wembley	Kerbside	29
Brent	Stanley Avenue, Wembley	Background	20
Brent	66 Lodore Gardens, Kingsbury	Background	20
Brent	349–357 High Road, Wembley	Intermediate	21
Camden	Camden Town Hall, Judd Street	Kerbside	33
Camden	Church Hall, Wakefield Street	Background	19
Camden	St. Andrew's United Reform Church, Finchley Road	Intermediate	23
Camden	9–11 Froghal Way	Background	18

European Community Directive 85/203/EEC sets a limit value for nitrogen dioxide of 104.6 ppb as a 98th percentile of hourly means. There are currently no European limits for nitrogen oxide, carbon monoxide or particulate material below 10 microns.

Asbestos

Mr. Cox: To ask the Secretary of State for the Environment, Transport and the Regions what discussions *(a)* have taken place and *(b)* are planned between his Department and the Health and Safety Executive on the use and development of safe alternatives to asbestos. [9190]

Angela Eagle: As my hon. Friend is aware from the Adjournment debate on 18 June, I have asked the Health and Safety Commission to advise me urgently on a mechanism for introducing a domestic ban on the import, supply and use of asbestos. Safe and effective alternative non-asbestos products are available for some, but possibly not all, uses. The Health and Safety Executive is currently researching the situation with other Government Departments and industry. The commission is consulting widely before giving its formal advice.

Green Ministers

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the green Ministers appointed to date in other Government Departments; when he intends green Ministers to have been appointed in all departments; and if he will make a statement. [9494]

Angela Eagle: The committee of green Ministers is chaired by his right hon. Friend the Minister for the Environment. Other members of the committee have been appointed as follows:

Department	*Minister*
Agriculture, Fisheries and Food	Jeff Rooker MP
Chancellor's Departments	Dawn Primarolo MP
Culture, Media and Sport	Mark Fisher MP
Defence	John Spellar MP
Education and Employment	Dr. Kim Howells MP
Environment, Transport and the Regions	Glenda Jackson MP
Foreign and Commonwealth Office	Derek Fatchett MP
Health	Tessa Jowell MP
Home Office	Mike O'Brien MP
International Development	George Foulkes MP
Law Officers	The Lord Falconer QC
Lord Chancellor's	Geoff Hoon MP
Northern Ireland Office	The Lord Dubs
Public Service and Science	Peter Kilfoyle MP
Scottish Office	The Lord Sewel CBE
Social Security	Keith Bradley MP
Trade and Industry	John Battle MP
Welsh Office	Win Griffiths MP

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions how many and what percentage of civil servants in each of the grades 1 to 5 in his Department are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9564]

Angela Eagle: There are no civil servants employed in my Department in the grades 1 to 5 who are of *(a)* Asian origin or *(b)* Afro-Caribbean origin.

Mobile Homes and Caravan Parks

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions if he will make it his policy to encourage local planning authorities to allow the provision of residential wardens' accommodation at mobile home and caravan parks. [9171]

Mr. Raynsford: Development proposals for on-site residential accommodation for wardens are considered within the framework of Government policy as set out in planning policy guidance notes. PPG7 on "The Countryside—Environmental Quality and Economic and Social Development" restricts the provision of new dwellings in the open countryside in order to protect rural landscapes and the character of the countryside. There is scope for local planning authorities to grant permission for isolated dwellings in the countryside in exceptional circumstances, for example where these are essential for agricultural or forestry workers. The Government have not been persuaded that exceptions should be made to existing policy other than in certain exceptional cases provided for in existing guidance PPG7.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10195]

Angela Eagle: The Department is undertaking a fundamental review of transport policy whose purpose is to lead a White Paper on an integrated transport policy. We anticipate the White Paper will be published next spring. A review of compulsory competitive tendering regulations and guidance, which seeks to identify changes which will improve the existing regime pending its replacement by a duty of best value, is due to be completed shortly.

Housing Development, Poulton Le Fylde

Mr. Dawson: To ask the Secretary of State for the Environment, Transport and the Regions if he will review his decision in respect of the housing development at Briarfield Nurseries, Blackpool old road, Poulton Le Fylde, Lancashire. [10102]

Mr. Raynsford: The Secretary of State has no plans to do so.

Chemical Hazards

Sir Richard Body: To ask the Secretary of State for the Environment, Transport and the Regions what is the nature of the proposed directive on the protection of employees from chemical risks; what procedure it will be subject to; and if he will make a statement. [10201]

Angela Eagle: The proposed directive on chemical agents would establish minimum standards for the control of hazardous chemicals in the workplace. It is based on article 118A and is subject to the co-operation procedure. It will be a directive under the framework directive 89/391/EEC.

The UK has secured all its objectives on the proposal which reached political agreement at the Social Affairs Council on 27 June. It is likely to reach common position formally in September 1997 and then be subject to a second reading by the European Parliament towards the end of 1997.

The UK already has comprehensive regulations covering the health effects of chemicals—principally the Control of Substances Hazardous to Health Regulations 1994—which is one of the most advanced regimes in Europe. The UK has therefore supported this proposal in principle, believing that it would fill an important gap in EU legislation and raise standards elsewhere in Europe.

Definitive Maps and Statements

Mr. Rooney: To ask the Secretary of State for the Environment, Transport and the Regions what amendments he proposes to make to the guidance on the interpretation of definitive statements in circular 2/93. [10383]

Mr. Meacher: We have revised the guidance in circular 2/93 which deals with the interpretation of information recorded on statements which accompany definitive maps. We have written today to the local government associations and others with an interest to advise them that paragraph 31 of the circular has been replaced with the following.

> "Information recorded in the definitive statement about position or width or as limitations or conditions affecting a public right of way is conclusive evidence of position, width, limitations or conditions. Information may be recorded in the definitive statement which, in practice, restricts the use of the way by those whose rights to use it are recorded on the definitive map. Where such information is not about position or width, or is not recorded as a limitation or condition, highway authorities should examine the evidence in each case in order to resolve the inconsistencies."

Mr. Rooney: To ask the Secretary of State for the Environment, Transport and the Regions what advice he proposes to issue on definitive maps and statements in the light of recent High Court judgments. [10384]

Mr. Meacher: We have been looking at the implications of a recent High Court judgment for the evidence that is required to prove that vehicular rights of way have been established through regular use. We have concluded that vehicular rights cannot be claimed through 20 years' use, under section 31 of the Highways Act 1980, if access to the route in question was prohibited by the Road Traffic Acts during any of those 20 years. The fact that people have driven along a footpath or bridleway does not mean that it has ceased to be a footpath or bridleway. Vehicle users will not be able to claim new rights of way on the basis of past use unless the landowner has dedicated a way for their use.

Aircraft Safety

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions (1) what assessment he has made of whether the current Civil Aviation Authority minimum seat pitch on aircraft is sufficient to allow for evacuation in an emergency; if he will review the CAA minimum seat pitch; and if he will make a statement; [8229]

(2) what checks are made to ensure that airlines comply with the Civil Aviation Authority minimum seat pitch. [8228]

Ms Glenda Jackson: The Civil Aviation Authority has set minimum requirements relating to the spacing of passenger seats for aircraft on the UK register as it is one of a number of factors which can have an effect on the evacuation of an aircraft in an emergency. These standards were the results of a thorough assessment by the CAA. In addition to other tests, demonstration evacuations were carried out on two aircraft types before the standard was adopted.

Compliance with these standards on individual aircraft is initially checked by the CAA when it approves the aircraft's passenger cabin layout. While the operator of an aircraft is responsible for ensuring that the passenger cabin layout continues to meet the required standards, this will be the subject of checks as part of the CAA's on-going aircraft monitoring process.

I have no evidence to suggest that a review of these standards is necessary.

Shadow Tolling

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 15 July, *Official Report*, column *131*, (1) whether the results of the development work on refining the shadow toll payment mechanism so that it is less dependent on traffic-related payments will cover those schemes contained in the accelerated review; [9957]

(2) in what circumstances shadow tolling of roads offers value for money; [9958]

(3) when he expects to be able to make an announcement on the refinements to shadow toll payment mechanisms to make them less dependent on traffic-related payments. [9959]

Ms Glenda Jackson: A consideration in selecting design, build, finance and operate projects for competition is potential commercial viability. Whether projects offer value for money depends entirely upon the bids submitted for individual projects. The development work on payment mechanisms was begun initially for possible application to the A40 west London approach and A13 Thames gateway DBFO projects. If this refinement of remuneration arrangements is successful it could be applied elsewhere, and we would announce its introduction when we are able to apply it to a particular project.

Coach Safety

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions what representations he will make to other EU countries to legislate to require all coaches carrying children to have seat-belts fitted. [9795]

Ms Glenda Jackson *[holding answer 21 July 1997]:* Other EU member states are fully aware of the UK's keenness to have seat belts fitted to all coaches, and its national requirement for seat belts to be fitted in coaches used to carry children, but the decision to introduce a similar national requirement must remain one for the Governments of the individual EU member states.

However, we expect that in the future more foreign coaches will have seat belts, especially from 1 October 1999 when any member state can impose a general requirement for all coaches being registered to have seat belts fitted.

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce legislation to prevent foreign coach operators carrying children as passengers in the United Kingdom without having seat belts fitted in their coaches. [9792]

Ms Jackson *[holding answer 21 July 1997]:* It is a long standing principle that certain of the UK's national vehicle regulations do not apply to vehicles registered abroad which are temporarily visiting this country. Similar arrangements apply when British vehicles travel to other EU countries. We do not require visiting foreign coaches to comply with our domestic regulations by fitting seat belts for children, and I do not believe it would be realistic to alter this. However, we expect that more foreign coaches will be fitted with seat belts in future as an amended seat belt directive starts to take effect that will allow member states to require the fitting of seat belts to all new coaches.

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions what steps he will take to prevent children being carried in European Union countries on coaches that do not have seat belts fitted. [9794]

Ms Jackson *[holding answer 21 July 1997]:* When organised trips to European Union countries start in Britain, newer British coaches must have seat belts available for children. This requirement will extend to older coaches in February next year. While such vehicles will often continue to be used for the journey outside Britain, we do not have any jurisdiction over the domestic transport arrangements for children within other countries if they use a local vehicle. However, we would encourage those arranging trips for British children abroad always to use coaches fitted with seat belts.

Thamesmead Rail Link

Mr. Austin: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the proposal for a rail link to Thamesmead. [10103]

Ms Glenda Jackson: The option of constructing a southerly extension to the docklands light railway to Thamesmead from Gallions Reach is being assessed as a potential public transport component of the Thames gateway bridge, one of the potential new river crossings for east London currently being appraised by my Department.

Seahorse and Exodus Incident

Sir Richard Body: To ask the Secretary of State for the Environment, Transport and the Regions when the marine accident investigation branch expects to submit its report on the incident between the flagged vessel Seahorse and the Irish vessel Exodus in March. [10208]

Ms Glenda Jackson: The marine accident investigation branch has carried out a joint investigation with the Irish Department of the Marine into this tragic accident. As this investigation was not an inspector's inquiry the report will not be published through the Stationery Office, but is expected to be available to the Marine Safety Agency and involved parties by the end of September.

A1

Mr. Cousins: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will list the feasibility schemes put up to the Highways Agency by Northumberland county council in respect of the route of the A1 in Northumberland; when these schemes were received; and which ones he proposes to implement; [9497]

(2) if he will list the article 14 highway directives issued in respect of the A1 from the new Tyne crossing to the Gorforth Park iterchange; and if those directions are still in force; [9496]

(3) for what purpose he has issued article 14 directives in respect of the A1 between the new Tyne crossing and the Gorforth Park interchange. [9515]

Ms Glenda Jackson: I have asked the chief executive of the Highways Agency to write to my hon. Friend.

Letter from Lawrie Haynes to Mr. Jim Cousins, dated 22 July 1997:

The Minister for Transport in London has asked me to reply to your recent Parliamentary Questions about the A1 North of Newcastle.

You asked for a list of the feasibility schemes which Northumberland County Council have put to the Highways Agency in respect of the route of the A1 in Northumberland.

The County Council submitted a report on the feasibility of dualling sections of the A1 at the end of March 1997. The recommendations are being studied, but it would be inappropriate to list them at this stage because it could cause unnecessary Blight on long sections of the A1. A decision on the schemes may of course also be affected by the reviews announced recently by the Minister.

You also asked for a list of all Article 14 Highway Directions issued in respect of the A1 from the new Tyne Crossing to the Gosforth Park Interchange and if those Directions are still in force.

The Agency has issued two such Directions with respect to planning applications for Newburn Haugh and Newcastle Airport. The purpose for these is:

Newburn Haugh

The Agency has directed conditions on an application to cover improvements needed to the A1 southbound of slip road and the Scotswood Road junction as well as improvements to Scotswood Road (local highway). Planning permission was granted on 8 November 1996.

Newcastle Airport Terminal Extension

The Agency has directed conditions to cover improvements needed to the A696 and A696/A1 junction to facilitate the development. The development now has planning permission.

Older Drivers

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions if he will work with the motor industry to develop industry best practice for secondary protection against accidents for older drivers. [9301]

Ms Glenda Jackson: Manufacturers are continuing to improve the overall secondary safety of cars for all occupants. Longer-term departmental research with

industry participation includes the possibility of tailoring car secondary safety to the physical characteristics of individual occupants.

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions if he will review the sight distance standards for non-signalised junction designs to take account of the perception-reaction characteristics of older drivers. [9295]

Ms Jackson: I have asked the chief executive of the Highways Agency to write to my hon. Friend.

Letter from Lawrie Haynes to Mr. David Chidgey, dated 22 July 1997:

The Secretary of State for the Environment, Transport and the Regions has asked me to reply to your recent question concerning a possible review of the sight distance standards for non-signalised junction designs to take account of the perception-reaction characteristics of older drivers.

The standards issued by the Highways Agency for non-signalled cross-road junctions were reviewed and updated in 1995 and for roundabouts in 1993. UK standards are similar in this respect to most European standards. The sight distance standards in the documents take account of a range of perception-reaction characteristics which includes that of older drivers.

Perception-reaction characteristics comprise the time taken to see a sign, feature or hazard, decide what action is necessary, and take action: our standards assume two seconds perception-reaction time. Experience and judgement are important to perceiving and avoiding any potential hazard, though perception-reaction processes slow with advancing age, experience and judgement improve.

In 1995 the Highways Agency reviewed whether road design standards should be amended to allow for demographic changes. Our study concluded that at present sight distance standards are appropriate for drivers with the range of perception-reaction characteristics prevalent in the driving population.

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of Devon county council's roadfit scheme. [9299]

Ms Jackson: The Department has not made any formal assessment of the Devon county council's roadfit scheme, but is taking a close interest in this and similar schemes directed at older drivers.

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what measures his Department takes to make drivers aware of declining sensory and cognitive abilities as they get older. [9300]

Ms Jackson: The present driver licensing system recognises that aging may affect driving ability, although this varies from person to person. Drivers must renew their licences at 70 years of age, at which point they are required to make a declaration about their health. A licence is then issued for up to three years only, subject to a further health declaration at each renewal.

The Department's leaflet, "Advice to Older Drivers", provides advice on driving skills, legal requirements and guidance on when to consider giving up driving. I will arrange for copies to be deposited in the House Libraries.

The Department has commissioned research to study the effects of aging on cognitive ability and to develop appropriate measures for elderly drivers in order to help them maintain their mobility safely.

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to work with other European countries towards developing a common approach to helping older drivers. [9302]

Ms Jackson: There are no current initiatives at European level to develop a common approach towards older drivers.

The report on the safety of older car drivers in the European Union recently published by the European Road Safety Federation is a useful contribution to the international understanding of this issue.

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions if he will investigate the use of directional arrows at traffic signals with the objective of simplifying decision making for older drivers. [9296]

Ms Jackson: Work is being done to increase the conspicuity of traffic signals, including those with directional arrows, particularly in adverse viewing conditions. Some trials are under way to assess improvements that can be made to directional arrow signalling at more complicated junctions. Such improvements would help all drivers.

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what guidelines his Department issues to *(a)* the Driver and Vehicle Licensing Agency, *(b)* police authorities, *(c)* doctors and *(d)* optometrists in respect of advice to older drivers who are considering giving up driving. [9298]

Ms Jackson: Guidance on giving advice to older drivers, including advice on preparing to give up driving when this becomes necessary is included within the publication "Medical Aspects of Fitness to Drive", which is published by the medical commission on accident prevention and endorsed by the Secretary of State's honorary medical advisory panels on driving. This publication is distributed widely to medical practitioners, who may also consult doctors at the Driver and Vehicle Licensing Agency by means of a dedicated telephone line.

The Department's chief medical adviser regularly meets the Association of Optometrists and issues associated with all aspects of driving are regularly discussed with the police.

Road Signs

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what arrangements exist for the cleaning and maintenance of road signs on roads for which the Highways Agency is responsible; and if he will review these arrangements to take account of older road users. [9297]

Ms Glenda Jackson: I have asked the chief executive of the Highways Agency to write to my hon. Friend.

Letter from Lawrie Haynes to Mr. David Chidgey, dated 22 July 1997:

The Secretary of State for the Environment, Transport and the Regions has asked me to reply to your recent question asking what arrangements exist for the cleaning and maintenance of road signs on roads for which the Highways Agency is responsible; and if he will review these requirements to take account of older road users.

The Highways Agency is responsible for the management and maintenance of the Trunk Road Network and signs on these roads are cleaned and maintained by Term Contractors under the direction of our Managing Agents. In some areas Local Authorities are our Managing Agents and in others the service is provided by Consulting Engineers. Our requirements for cleaning and inspecting signs are detailed in Volume 8 of our Design Manual for Roads and Bridges and in our Routine Maintenance Management System. In summary they are:–

Safety Patrols and Inspections are undertaken at frequent intervals and defects which constitute an immediate danger to the public are rectified within 24 hours.

Inspections to detect failure of lamps and their control mechanism are made at monthly intervals.

Annual inspections are undertaken to check if foliage is obscuring signs.

Every two years the condition of all signs is checked.

Signs are cleaned on an "as required" basis but not less frequently than every three years. The need varies greatly between different locations.

These requirements for cleaning and inspecting signs are being reviewed taking account of the needs of older road users. At this stage it is not possible to say when this review will be completed or whether the standards I have described will be amended.

Clean Engine Technology

Mr. Sheerman: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress made by United Kingdom motor manufacturers in the development of clean engine technology. [9317]

Ms Glenda Jackson: Although development of clean engine and after-treatment technologies is undertaken on an increasingly globalised basis, work done in this area in the UK continues to place its manufacturers among world leaders.

The speed of development has been largely determined by the increasingly stringent emissions standards which have been set in recent years. Emissions standards recently agreed at the EU Environment Council for passenger cars, for 2000 and 2005, together with proposals in the pipeline for other vehicles, will provide a further stimulus to technological development in this area. Meanwhile, the Government's decision to provide fiscal incentives for heavy vehicles meeting more stringent emissions standards should also stimulate development of new technologies.

Port of London Authority

Mr. Pond: To ask the Secretary of State for the Environment, Transport and the Regions how many maritime incidents were recorded by the Port of London Authority in each of the last five years. [9807]

Ms Glenda Jackson: The Department does not collect statistics on maritime incidents recorded by individual port authorities. I understand that the Port of London Authority has written to my hon. Friend offering an opportunity to visit it and discuss these matters.

Epping-Ongar Line

Mr. John Cryer: To ask the Secretary of State for the Environment, Transport and the Regions if he will ensure that gains from property development undertaken by a commercial operator of the Epping to Ongar line are subject to clawback by London Underground Ltd. [9862]

Ms Glenda Jackson: Before making a decision on London Underground's proposed sale of the Epping to Ongar line, the Secretary of State will need to be satisfied that appropriate safeguards are in place concerning the future potential for this land.

Railtrack

Mr. Martyn Jones: To ask the Secretary of State for the Environment, Transport and the Regions in what form he proposes to receive the dividends for Her Majesty's Government's residual shareholding in Railtrack. [9850]

Ms Glenda Jackson: The Government intend to take cash dividends for their residual shareholding in Railtrack; these will be paid into the Exchequer—consolidated fund extra receipts.

Roads Review

Mrs. Virginia Bottomley: To ask the Secretary of State for the Environment, Transport and the Regions which representative bodies he intends to consult in July in respect of his roads review. [9866]

Ms Glenda Jackson: My noble Friend the Minister for Roads and Road Safety held a series of meetings during July on the arrangements for the forthcoming review with representatives of environmental groups; road user and construction groups; local government; statutory bodies; and industry. The bodies represented at these meetings were as follows:

Alarm UK
Automobile Association
British Road Federation
Confederation of British Industry
Council for the Protection of Rural England
Countryside Commission
English Heritage
English Nature
Freight Transport Association
Friends of the Earth
Local Government Association
Quarry Products Association
Road Haulage Association
Royal Automobile Club
Royal Society for the Protection of Birds
Transport 2000.

We shall issue a public consultation document shortly.

TRADE AND INDUSTRY

Bank of Credit and Commerce International

Mr. Vaz: To ask the President of the Board of Trade what is the total amount of funds which have been recovered by the BCCI liquidators since 1992; and what amount of funds is now held by them. [9998]

Mr. Nigel Griffiths: This information is contained in the report of the joint liquidators to the Secretary of State made up to 15 January 1997 copies of which have been placed in the Libraries of the House and a copy of which was sent to my hon. Friend on 30 May 1997.

Mr. Vaz: To ask the President of the Board of Trade if she will ask the liquidators to report progress to her Department in respect of their attempts to recover BCCI assets held by the United States Department of Justice; what sums are being claimed; and if she will investigate the delay in recovering those assets. [9999]

Mr. Griffiths: The joint liquidators reported on their efforts to recover BCCI assets held in the United States of America in their report to the Secretary of State pursuant to regulation 14 of the Insolvency Regulations 1994 for the period 16 January 1996 to 15 January 1997. Copies of this report have been placed in the Libraries of the House and a copy was sent to my hon. Friend on 30 May 1997.

Mr. Vaz: To ask the President of the Board of Trade when she last met the liquidators of BCCI. [10002]

Mr. Griffiths: My officials last met the liquidators of BCCI on 2 July 1997.

Mr. Vaz: To ask the President of the Board of Trade what are the worldwide assets of the BCCI companies, excluding those countries which have ring-fenced their assets; what proportion of the assets is available for distribution to creditors; what factors have led to the remaining assets being unavailable for distribution; what is the aggregate amount for which proofs of debt have been received worldwide, excluding duplicate proofs of debt and proof of debts submitted in countries which have ring-fenced; and what proportion of the amount is disputed. [10003]

Mr. Griffiths: These are matters for the liquidators. My Department does not hold this information.

Mr. Vaz: To ask the President of the Board of Trade what are the total worldwide liabilities of the BCCI companies, excluding those countries which have ring-fenced their assets. [1005]

Mr. Griffiths: My Department does not have this information.

Mr. Vaz: To ask the President of the Board of Trade if she will investigate the factors underlying the non-distribution of assets retained by the BCCI liquidators since 1992. [9997]

Mr. Griffiths: No, but if my hon. Friend will indicate the assets to which he is referring I will cause further inquiries to be made.

Mr. Vaz: To ask the President of the Board of Trade what are the current estimates of the percentage amounts of dividend payments for BCCI creditors; what is the current estimate of the aggregate total of dividends to BCCI creditors which will be paid; and by when they are expected to have been paid. [10001]

Mr. Griffiths: These are matters for the liquidators, but I understand that they hope to pay a substantial further dividend as soon as possible.

Mr. Vaz: To ask the President of the Board of trade if she will set up an inquiry into the conduct of the liquidation of BCCI and the fees charged by the liquidators prior to the payment of the first dividend. [9996]

Mr. Griffiths: No. The conduct of the liquidation of BCCI is a matter for the liquidators, for the liquidation committee and for the court. The remuneration payable to the liquidators is a matter for the liquidation committee, the creditors generally or the court.

Mr. Vaz: To ask the President of the Board of Trade if she will investigate the compliance of demand notices issued to former employees by the English liquidators of BCCI with section 84(1) of the Consumer Credit Act 1974. [9892]

Mr. Griffiths: I am advised that section 84(1) of the Consumer Credit Act 1974 is unlikely to apply to the transactions in question, although other provisions of the Act may, if my hon. Friend has any concerns regarding them would he please send details to the Director General of Fair Trading, who enforces the Consumer Credit Act.

Mr. Vaz: To ask the President of the Board of Trade what estimate he has made of the global costs of the BCCI liquidation to date. [10006]

Mr. Griffiths: None.

Mr. Vaz: To ask the President of the Board of Trade what regulations govern the *(a)* reporting and *(b)* publication of liquidators' fees and expenses. [1000]

Mr. Griffiths: Regulation 14 of the Insolvency Regulations 1994 provides that liquidators shall send in an account of their receipts and payments if required by the Secretary of State at any time. In the case of BCCI the liquidators have made copies of their report available to all creditors and copies have been placed in the Libraries of the House.

Mr. Vaz: To ask the President of the Board of Trade what are the global costs of Deloitte Touche's fees in respect of the BCCI liquidation to date. [1004]

Mr. Griffiths: This information is not held by my Department. Information on the total of realisations, remuneration, costs and other expenses of the UK liquidation is given in the joint liquidators' report to the Secretary of State made up to 15 January 1997, copies of which have been placed in the Libraries of the House and a copy of which was sent to the hon. Member on 30 May 1997.

European Structural Funds

Barbara Follett: To ask the President of the Board of Trade if she will make a statement on the role of social partners in the implementation of European structural funds in the United Kingdom. [10380]

Mrs. Roche: The Government see the advantages of a wider social partnership, bringing employers' and trade union representatives into local European structural funds partnerships. We will expect the social partners to make a real contribution to the programmes, as existing partners do. The precise way in which they participate will be for each monitoring committee to determine locally.

Monopolies and Mergers Commission (Property Inquiry)

Ms Roseanna Cunningham: To ask the President of the Board of Trade if he will make a statement on the experience that the members of the Monopolies and Mergers Commission's committee investigating Scottish Residential Estate Agency Services have in respect of *(a)* Scots law and *(b)* the Scottish property market. [9953]

Mr. Nigel Griffiths: The role of the members of an inquiry group investigating a reference made to the Monopolies and Mergers Commission is to bring to that investigation a mixture of expertise in legal, economic, industrial, financial and other relevant disciplines. It has not been their function to have detailed expertise and knowledge of a particular market under investigation. In carrying out the investigation, the MMC obtains information from a wide range of experts in relevant fields as required and often retains consultants to provide expert advice.

The chairman of the MMC informs me that the MMC group investigating this case had access to expert advice on Scottish law and the Scottish property market.

Private Health Insurance

Mr. Brady: To ask the President of the Board of Trade if she will make a statement on the Government's policy on the regulation of the private health insurance sector. [8180]

Mr. Nigel Griffiths: The private health insurance sector is regulated through a combination of statutory legislation and industry best practice. Underwrites of health insurance are subject to prudential supervision under the Insurance Companies Act 1982; insurance intermediaries active in this field are subject to regulation under the Insurance Brokers (Registration) Act 1977 or industry-regulation under the Association of British Insurers general business code of practice. The Government continue to keep this under review.

Food Safety

Sir Richard Body: To ask the President of the Board of Trade in what way she plans to implement the product safety directive concerning the mixing of unwrapped non-food articles with food products; what is the purpose of this legislation; what representations she has received from the food industry on this issue; what food products will be exempted; and if she will make a statement. [10204]

Mr. Nigel Griffiths: The general product Ssfety directive lays down general rules for assessing the safety of consumer products. There is concern that if unwrapped non-food items are sold mixed in with food products there would be a possibility that consumers could accidentally ingest them with consequent risk of injury. It has been agreed that European member states will ascertain whether such products are on sale within their national territories and inform the European Commission accordingly. My Department is investigating the position in the UK. I have received no representations from the food industry on this subject.

National Physical Laboratory

Mr. Quinn: To ask the President of the Board of Trade what progress is being made towards providing improved facilities for the National Physical Laboratory under the private finance initiative. [10379]

Mr. Battle: I am pleased to announce that I have today confirmed Laser—a joint venture between John Laing and Serco—as preferred tenderer for the redevelopment of the National Physical Laboratory's site at Teddington. Laser will now proceed to develop detailed plans to provide serviced accommodation for NPL and I hope to enter into a formal contract with it by November this year.

Coal Imports

Mr. Coaker: To ask the President of the Board of Trade if she will list the level of coal imports into Britain for each of the last 10 years; and what percentage of these imports are used in British power stations. [9291]

Mr. Battle: Available information is as follows:

Year	*Coal imports into United Kingdom*[1,2]	*Percentage of imports used in UK power stations*[3,4]
1987	9,781	—
1988	11,685	—
1989	12,137	—
1990	14,783	29.5
1991	19,611	37.2
1992	20,339	37.9
1993	18,400	28.1
1994	15,088	24.4
1995	15,896	27.0
1996	17,799	39.0

[1] The 1993 import figure includes an additional estimate for unrecorded trade.
[2] Source: HM Customs and Excise
[3] Sources: Data for Great Britain from April 1990 provided by Eastern Merchant Generation Ltd., National Power, PowerGen and Scottish Power. Data for Northern Ireland prior to March 1992 provided by Northern Ireland Electricity. Data for Northern Ireland from March 1992 provided NIGEN.
[4] This information was not collected before April 1990.

Southampton University

Mr. Colvin: To ask the President of the Board of Trade if she will visit Romsey to discuss with students of Southampton university the employment effects of the Government's minimum wage policy; and if she will make a statement. [9196]

Mr. Ian McCartney: I have no plans at present to visit the students of Southampton university. The national minimum wage will be introduced sensibly taking account of the economic circumstances prevailing at the time. The independent Low Pay Commission will recommend to Government the level at which the minimum wage might be introduced having considered all relevant economic circumstances, including the possible effect on employment, before formulating its recommendation.

Consumer Credit Licensing

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the consumer credit licensing appeals system; when the system was established; and by what authority. [9634]

Mr. Nigel Griffiths: Under the Consumer Credit Act 1974 the Director General of Fair Trading can decide not to grant, or to revoke, a consumer credit licence.

In the event that the director general decides to refuse an application for a licence, or to revoke an existing licence, the Act provides for a right of appeal to the Secretary of State. The procedure for appeals is set out in the 1976 appeals regulations.

I am considering making revisions to the 1976 regulations to speed up the appeals procedure and improve the decision making process. I have issued a consultation paper and will finalise the policy when I have considered the responses. A copy of the consultation paper is in the Library of the House.

Advisory Committee on Arbitration Law

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the advisory committee on arbitration law; when the committee was established; by what authority; and if she will list the names of the chairman and the Secretary. [9632]

Mr. Nigel Griffiths: The departmental advisory committee on arbitration law was set up in March 1985 by the then Secretary of State with the following terms of reference:

(i) To consider the draft model law on international commercial arbitration adopted by a working group of the United Nations commission on international trade law in February 1984 and, in the light of any representations made by British interests, to advise the Secretary of State for Trade and Industry:

(a) Upon any modification which the committee consider should be proposed by Her Majesty's Government to the text of the draft model law prior to its adoption by the commission;

(b) If and when a model law is adopted by the Commission, upon whether, and to what extent, the provisions of the model law should be implemented in England and Wales and upon what associated changes should be made to the law of England and Wales:

(ii) To examine the operation of the Arbitration Acts 1950 to 1979 in the light of the model law and to recommend to the Secretary of State any legislative or other steps which the committee considers should be taken to improve the system of arbitration in England and Wales;

(iii) To advise the Secretary of State, where appropriate, upon the implications which any changes resulting from their recommendations for arbitration in England and Wales may have for arbitration in Scotland and Northern Ireland.

The DAC's formal work came to an end in January 1997 with commencement in England, Wales and Northern Ireland of the Arbitration Act 1996. The most recent chairman was Lord Justice Saville, now Lord Saville, and the secretariat was provided by the Department of Trade and Industry. A separate committee under the chairmanship of Lord Dervaird is considering aspects of Scottish arbitration law.

Overseas Projects Board

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the Overseas Projects Board; when the board was established; by what authority; and if she will list the names of the chairman and the Secretary. [9630]

Mrs. Roche: The Overseas Projects Board was established in 1977 as a separate group within the framework of the British Overseas Trade Board to give Ministers and their officials independent advice on issues affecting UK industry's ability to compete effectively for major project business overseas.

The present chairman is Andrew Buxton, chairman of Barclays bank and the secretary is Geoffrey Nuttall, an official in the Department of Trade and Industry.

Travel Industry

Mrs. Gillan: To ask the President of the Board of Trade if she will list the representatives of the outbound travel industry whom the Minister for Competition and Consumer Affairs met in the United Kingdom between 1 May and 1 July. [9427]

Mr. Nigel Griffiths *[holding answer 18 July 1997]:* Between 1 May and 1 July I have had official meetings in the UK with the following:

Steven Freudman and Ian Reynolds from ABTA; Alan Fluke and Martin Brackenbury from FTO; Chris Kirker and Julia Hendry from AITO.

Internet

Mrs. May: To ask the President of the Board of Trade what data her Department collects on activity on the Internet. [9444]

Mrs. Roche *[holding answer 18 July 1997]:* The Department of Trade and Industry subscribes to a number of proprietary studies and surveys of Internet activity. In addition, under the Government's IT for All initiative, run by the Department, two surveys of attitudes towards and usage of the Internet have been conducted. The first of these was published in December 1996 and the second will be published later this year. Also as part of a recent international benchmarking study, commissioned by the Department from Spectrum Strategy Consultants, the NOP research group collected information on, among other things, Internet activity in five countries—UK, USA, Japan, Germany and France. This study will be published by the end of this month. I will ensure that copies of the second IT for All survey and the international benchmarking study are placed in the Library of the House.

EU Internal Market

Mrs. May: To ask the President of the Board of Trade what is the United Kingdom's record on implementing measures to complete the European internal market; and what assessment she has made of the record of other member states of the European Union in this respect. [9452]

Mrs. Roche *[holding answer 18 July 1997]:* I am placing a Commission table showing the state of transposition of the single market directives into national law in the UK and other member states in the Libraries of the House.

Mrs. May: To ask the President of the Board of Trade what steps her Department is taking to ensure completion of the European internal market; and within what timetable. [9440]

Mrs. Roche *[holding answer 18 July 1997]:* Enhancement of the single market is a Government priority. We have helped to secure a warm welcome at the Amsterdam European Council for the Commission's action plan for the single market. The plan detailed an ambitious set of objectives for the next three presidencies of the Council of Ministers—Luxembourg, UK and Austria—to achieve practical improvements in the single market. The action plan closely reflects key UK priorities for the single market, including:

Improvements in the enforcement of single market rules;

Measures to simplify existing legislation and reduce burdens on business;

A tightening up of rules on state aids;

Measures to liberalise public utilities.

In addition, the Department has a unit called "action single market" which helps UK business overcome illegal state aids and trade barriers in other single market countries. It has scored successes in overcoming barriers across a wide range of sectors and problems types.

Debt Payment

Mrs. May: To ask the President of the Board of Trade when she will publish the planned Green Paper on late payment of debt; and what will be the consultation programme on it. [9439]

Mrs. Roche *[holding answer 18 July 1997]:* The Green Paper will be published before the summer recess. The closing date for responses will be 3 October. During the consultation period we will welcome views in writing or in person from all those who have an interest.

Mrs. May: To ask the President of the Board of Trade what her Department's policy is on the timely payment of debt; and what its record has been on debt payment in the current financial year. [9324]

Mrs. Roche *[holding answer 18 July 1997]:* All Departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is the later, where no such terms exist. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

Consumer Issues

Mrs. May: To ask the President of the Board of Trade if she will list the hon. Members with whom she or her Ministers had meetings to discuss consumer issues following the questionnaire on that topic. [9442]

Mr. Nigel Griffiths *[holding answer 18 July 1997]:* No. I have met a number of hon. Members from all parts of the House to discuss matters relating to the consumer questionnaire and received letters of thanks from several of her hon. Friends.

Mrs. May: To ask the President of the Board of Trade if she will list the hon. Members who responded to the questionnaire on consumer issues. [9441]

Mr. Griffiths *[holding answer 18 July 1997]:* No.

Nuclear Fusion

Mr. Baker: To ask the President of the Board of Trade what assessment she has made of the results of her Department's research into nuclear fusion; and if she will list the projects funded by her Department's expenditure on nuclear fusion since 1986. [8920]

Mr. Battle *[holding answer 16 July 1997]:* My Department's expenditure on nuclear fusion is managed by the United Kingdom Atomic Energy Authority, which uses it to pay its subscription to the Joint European Torus project and to carry out fusion research that is part of the European Union's fusion programme. The EU programme—including JET—is evaluated regularly, and the report of the most recent evaluation under the chairmanship of Professor Barabaschi was published in December 1996. I shall arrange for copies of the report to be placed in the Libraries of the House.

The UKAEA's research is regularly monitored by the European Commission and by officials of my Department.

The projects funded by this expenditure since 1986 include:

Three conventional tokamak devices: Closed Line Experiment (CLEO—to 1987), Divertor and Injection Tokamak Experiment (DEATH—to 1989), Compact Assembly

(COMPASS—from 1989)

Two spherical tokamak devices: Small Tight Aspect Ratio Tokamak (START—from 1990), Mega-Amp Spherical

Tokamak (MATST under construction)

Reverse field pinch device: High Beta Toroidal Experiment (HBTX—to 1991)

Negative Ion Neutral Bema Development Project (to 1992)

Microwave heating systems—Electron Cyclotron Resonant Heating (ECRH—from 1990)

Materials Development Projects (to 1990)

Reactor design studies

Safety and Environmental Assessments (from 1992).

Sustainably Produced Timber

Mr. Baker: To ask the President of the Board of Trade if she will make it her policy to ban imports of timber other than from sustainable managed forests. [9535]

Mrs. Roche *[holding answer 21 July 1997]:* My right hon. Friend the Prime Minister made clear the Government's commitment to sustainable forestry in his answer of the 3 July, *Official Report*, column *234*.

The UK intends to adopt a new forest standard which will provide a benchmark for the regeneration of forests.

We believe that the best way to protect the world's forests is by extending this approach multilaterally rather than by imposing a unilateral ban on timber imports. We will continue to work with timber-producing countries to help improve forest management standards world wide and ensure long-term conservation.

Press Releases

Mr. Chidgey: To ask the President of the Board of Trade how much her Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time her Department issues a press release; how many such press releases were issued by her Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to

1 March; and if she will review her Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail. [8813]

Mr. Nigel Griffiths *[holding answer 17 July 1997]:* The DTI does not bike press releases. Such information is distributed by the Central Office of Information's news distribution service, NDS.

NDS's delivery mechanisms include a newswire service which supplies press release to the Parliamentary Online Information Service, POLIS, which can be accessed by all MPs and Lords, hand deliveries, fax and postal deliveries, online database and a widely accessed web site on the Internet.

These mechanisms are used either singly or in combination to ensure the most cost effective methods are used to reach the relevant target audiences and to suit the nature of the documents—for instance, whether press releases are dispatched on their own, or accompanied by reports, consultation documents etc; no separate costing is available for the hand delivery service alone.

The number of press releases that my Department put out through NDS for the period 1 May to 1 July was 115. For the period 1 January to 1 March there were 180 press releases issued through NDS. My Department and the COI keep a watching brief on new developments to ensure the most cost effective delivery mechanism are used at all times.

International Development

Mr. Ruane: To ask the President of the Board of Trade if she will list the civil servants who are co-ordinating her Department's input into the White Paper on International Development. [9313]

Mrs. Roche: The preparation of the forthcoming White Paper on international development involves input from a number of different DTI directorates with the new issues and developing countries directorate acting as a liaison point within the Department.

Electro-shock Batons

Dr. Tonge: To ask the President of the Board of Trade what trans-shipment licences the Government have granted for electro-shock batons since 1990; and if she will list both originating and recipient countries. [9468]

Mrs. Roche: One trans-shipment licence has been granted since 1990. This was granted on 19 April 1993 for goods originating in the USA and destined for Saudi Arabia.

Petrol Pumps

Mrs. Gillan: To ask the President of the Board of Trade when new regulations will be introduced to tighten controls on the verification of petrol pumps by repairers. [7785]

Mr. Nigel Griffiths: I am currently examining how best to protect consumers following the decision announced by the last Government on 10 June 1996 to deregulate weights and measures and allow self verification by manufacturers and others.

At my invitation, representatives of the Information Technology Services Agency and Local Authorities Co-ordinating Body on Trading Standards met me with the chief executive Seton Bennett of the National Weights and Measures Laboratory. Hewill hold further discussions with ITSA and LACOTS on how best to protect consumers and will report to me as soon as practicable.

Rights of Trade Union Members

Mr. Dismore: To ask the President of the Board of Trade what plans he has to review the financing, terms of reference and working of the committee for the rights of trade union members; and if he will make a statement. [9779]

Mr. Ian McCartney: My Department intends to consider the role and functions of the Commissioner for the rights of trade union members, together with other fairness at work issues, later this year.

Aid and Trade

Mrs. Gillan: To ask the President of the Board of Trade, pursuant to his answer of 11 July, *Official Report*, column *646*, if she will list the representations which her Department has received on retaining the aid and trade provisions and place a copy of each in the Library. [9476]

Mrs. Roche *[holding answer 18 July 1997]:* Nearly all the representations received since 1 June have been oral.

The Department has also received written representations from the Export Group for the Constructional Industries and Major British Exporters. With the agreement of those organisations, I am placing copies of their letters in the Library of the House.

CULTURE, MEDIA AND SPORT

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Culture, Media and Sport how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8943]

Mr. Tom Clarke: My right hon. Friend the Secretary of State has five employees in his private office, none of whom is of Asian or Afro-Caribbean origin.

Mr. Vaz: To ask the Secretary of State for Culture, Media and Sport how many and what percentage of employees, in each pay band, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8944]

Mr. Clarke: It is not possible to provide the information requested without incurring a disproportionate cost to the Department.

Civil Servants

Mr. Vaz: To ask the Secretary of State for Culture, Media and Sport how many civil servants there are on each payband in his Department. [8945]

Mr. Tom Clarke: The number of civil servants in each pay band within the Department for Culture, Media and Sport as at 17 July 1997 is shown in the following table:

	Number
SCS	21
A(U)	7
A(L)	48
B	83
HEOD	4
C	68
D(U)	74
D(L)	31

Grade equivalents:

SCS: Grade 5 and above

Grade A(U): Grade 6 and equivalent grades

Grade A(L): Grade 7 and equivalent grades

Grade B: HEO/SEO and equivalent grades

HEOD: Combined admin trainee HEO (development) grade

Grade C: EO and equivalent grades

Grade D(U): AO and equivalent grades

Grade D(L): AA and equivalent grades.

Welfare to Work

Mrs. Anne Campbell: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the work opportunities which the tourism industry can offer under the welfare-to-work programme. [7523]

Mr. Tom Clarke *[holding answer 21 July 1997]:* Tourism is one of the UK's leading growth industries. My right hon. Friend the Secretary of State will shortly be calling together people from tourism, hospitality and leisure to discuss how we can achieve our welfare to work objectives and help meet the industry's staffing needs.

National Lottery

Mr. Maude: To ask the Secretary of State for Culture, Media and Sport (1) what evidence he has evaluated that a not-for-profit national lottery would generate as much money for the good causes as the present lottery; [9445]

(2) what success he has had in attracting interests from companies to bid for the opportunity to run the national lottery in 2001 on a non-profit-making basis; [9449]

(3) if the Government plan to consider a bid to run the national lottery by Camelot in 2001 on a profit-making basis; [9447]

(4) what is his policy towards the continuation of a profit-making national lottery; [9446]

(5) if the Government remain committed to the principle of operating the national lottery on a non-profit-making basis; [9451]

(6) what representations he has received from companies showing an interest in operating the national lottery on a non-profit-making basis when the present contract expires in 2001. [9448]

Mr. Chris Smith *[holding answer 18 July 1997]:* Lottery proceeds should go to the good causes, with the minimum necessary being used to run the lottery efficiently and in the public interest. We will seek an efficient, not-for-profit and competitive operator on this basis. I made a statement about this matter to the House on 21 July, *Official Report*, columns *685–98*.

Camelot, if it chooses to bid, will be properly considered as a candidate to manage the new arrangements at the end of the current licence period.

To date, I have received no formal representations from any other companies wishing to run the lottery after the year 2001.

Mr. Peter Bottomley: To ask the Secretary of State for Culture, Media and Sport what proportions of *(a)* the national lottery, *(b)* bets on the Irish lottery and *(c)* other numbers draws are taken for (i) tax and (ii) good causes. [9900]

Mr. George Howarth: I have been asked to reply. Twelve per cent. tax is deducted from national lottery stakes and 6.75 per from bets on the Irish lottery and other numbers draws; 30 per cent. of national lottery stakes go to good causes; there is no statutory good causes deduction from Irish lottery or other numbers bets.

Works of Art

Sir Patrick Cormack: To ask the Secretary of State for Culture, Media and Sport if he will list the allocations made to public institutions in the United Kingdom during the half year ended 30 June of individual works of art and museum objects pre-eminent for national, scientific, historic or artistic interest which have been accepted in satisfaction of inheritance tax, together with information, where applicable, as to conditions or wishes expressed by testators or executors in the matter of allocation; and if he will list the works of art and museum objects which are still awaiting allocation with the respective dates of their acceptance in satisfaction of inheritance tax. [8978]

Mr. Fisher *[holding answer 21 July 1997]:* The information which the hon. Member requests is as follows:

Item(s)	*To whom allocated*	*Conditions/wishes expressed*
Landscape with Lord Coventry on a Blue Roan Horse and Deer, Hounds and Attendants and a Dead Stag (painting) by John Wootton	The National Trust for Places of Historic Interest or Natural Beauty (for display at Antony House, Cornwall)	Conditional offer
Still Life with an upturned roemer (painting) by Willem Claez. Heda	Norfolk County Council (for display at the Castle Museum, Norwich)	Wish as to allocation
Two German Drawings: one by Martin Schongauer and one by Jörg Breu the Elder	Board of Trustees of the British Museum	Conditional offer
The House of Worth Peacock Gown	The National Trust for Places of Historic Interest or Natural Beauty (for display at Kedleston Hall, Derbyshire)	Conditional offer

Item(s)	*To whom allocated*	*Conditions/wishes expressed*
Two archives of documents relating to estates in Cumbria and Somerset	Cumbria County Council (for retention at the Cumbria Record Office) and Somerset County Council (for retention at the Somerset Record Office	Wish as to allocation
A Seventeenth century pair cased alarm striking clock watch by Edward East	Board of Trustees of the National Museums and Galleries on Merseyside (for display at the Prescot Museum of Clock and Watch Making, Prescot)	Unconditional offer
Staffelsee (painting) by Wassily Kandinsky	Chancellors, Masters and Scholars of the University of Oxford (for display at the Ashmolean Museum)	Wish as to allocation

Items awaiting allocation	*Date of acceptance*
Library Furniture by William Gomm	19 January 1994
Christ Brought before Pontius Pilate (painting) by Luca Cambiaso	25 January 1996
18th-century French furniture	28 March 1996
Stepping Stones on the Wharfe (painting) by Thomas Girtin	27 August 1996
A Queen Anne year-going longcase clock by Daniel Quare	5 December 1996
A portrait of Lord Thurlow by George Romney	21 March 1997

TREASURY

Public Utilities

Mr. Colvin: To ask the Chancellor of the Exchequer (1) what is his Department's definition of a public utility; [7577]

(2) if his Department defines Railtrack plc as a public utility. [7703]

Mr. Geoffrey Robinson: There is no single, commonly accepted definition of a utility. The Concise Oxford Dictionary defines a public utility as

"an organisation supplying water, gas, etc to the community".

Strategic Defence Review

Mr. Key: To ask the Chancellor of the Exchequer if he will list the dates and attendees by Department and grade of meetings of officials which have taken place in his Department on the strategic defence review. [6761]

Mr. Darling: Various meetings have been held on various dates. It is not practical to list those attending. In any event, it is a long-established convention that Ministers are responsible for all policy decisions.

Mr. Keith Simpson: To ask the Chancellor of the Exchequer if he will list the Ministers and Treasury officials who attended the Foreign Office seminar on the strategic defence review. [7825]

Mr. Darling: No Treasury Ministers or officials attended the first strategic defence review seminar on 3 July. An official attended the second seminar on 11 July.

Income Tax

Mr. Bernard Jenkin: To ask the Chancellor of the Exchequer if he will estimate what additional revenue in Scotland would be raised by a 1p in the pound increase in the rate of income tax at *(a)* the 20p lower rate, *(b)* the 23p basic rate and *(c)* the 40p top rate. [9114]

Dawn Primarolo *[holding answer 17 July 1997]:* The latest estimates, which relate to 1995–96, are as follows:

	Full year yield at 1995–96 income levels £ million
a. Increase lower rate by 1p	60
b. Increase basic rate by 1p	150
c. Increase higher rate by 1p	30

Mortgage Interest Tax Relief

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what plans he has to make further changes to the level of mortgage interest tax relief at source; and if he will make a statement. [9487]

Dawn Primarolo *[holding answer 21 July 1997]:* The level of mortgage interest relief is a matter to be considered each year in the Budget. The costs and benefits of all reliefs are kept under review to ensure that they continue to provide best value for money, and mortgage interest relief is no exception.

Business Investment

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what estimate he has made of the impact on United Kingdom business investment in *(a)* 1997–98, *(b)* 1998–99 and *(c)* 1999–2000 consequent on the reforms in the taxation of businesses and dividends contained in his Budget; and if he will make a statement. [9485]

Mr. Geoffrey Robinson *[holding answer 21 July 1997]:* The corporation tax reforms will encourage better quality and more long-term investment and so benefit the economy. They encourage companies to retain and reinvest profits and, with the substantial tax rate cuts, provide a very attractive environment in which to do so.

Windfall tax

Mr. Waterson: To ask the Chancellor of the Exchequer what assessment he has made of the potential legal obstacles to the timely collection of the windfall tax. [9701]

Mr. Geoffrey Robinson *[holding answer 21 July 1997]:* The Government are satisfied that the legislative provisions for the implementation of the windfall tax are legally robust.

Construction Industry

Mr. Laurence Robertson: To ask the Chancellor of the Exchequer what checks are being made by Inland Revenue inspectors to ensure that some companies in the construction industry do not gain an unfair advantage by classing employed labour as self-employed. [9791]

Dawn Primarolo *[holding answer 21 July 1997]:* Specialist Inland Revenue staff involved in the review and checking of payroll records are working to ensure that construction businesses comply with their legal liabilities for PAYE and national insurance contributions. Where they find that contractors are not properly accounting for these duties, they will normally seek arrears back to 6 April 1997. Where there is evidence of evasion, payment will be sought for earlier years. Interest and penalties may also be charged in appropriate cases.

Offshore Trusts

Mr. Prior: To ask the Chancellor of the Exchequer what has been the cost to the Exchequer of tax avoidance schemes involving the holding shares in offshore trusts in which Government Ministers are beneficiaries since 1 May. [9796]

Dawn Primarolo *[holding answer 21 July 1997]:* I do not accept the premise of the hon. Member's question. Comprehensive information about the beneficiaries of offshore trusts is not held, nor required in all cases, by the Inland Revenue.

Sustainably Produced Timber

Mr. Baker: To ask the Chancellor of the Exchequer what is the Government's purchasing policy in respect of timber from sustainably managed forests. [9534]

Mr. Geoffrey Robinson *[holding answer 21 July 1997]:* Decisions regarding the procurement of goods and services, including timber or related products, are the responsibility of individual Departments. In taking such decisions, Departments must have regard to the need to secure best value for the taxpayer's money, to EU and other international rules on procurement and to their strategies for environmentally friendly housekeeping. In pursuing these aims, Departments can be expected to seek timber from sustainable sources where practicable.

FOREIGN AND COMMONWEALTH AFFAIRS

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs how many and what percentage of employees, in each pay band, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8956]

Mr. Fatchett: It is not possible to give precise statistics because the information we hold concerning ethnic origins is based on questionnaires completed voluntarily by staff. On the basis of those questionnaires, the position is as follows:

Pay bands	*Asian*		*Afro-Caribbean*		
	Number	*Percentage of total number of staff in those pay bands*	*Number*	*Percentage of total number of staff in those pay bands*	*Total numbers of staff*
Equivalent FCO Senior management structure pay bands 1–7	0	0	0	0	191
Equivalent FCO DS6/SEO–DS5S/HCS6	15	3.2	6	1.3	468
Equivalent FCO AA–DS7/HEO	50	7.8	39	6.1	641
Totals	65	5	45	3.4	1,300

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8955]

Mr. Fatchett: Staff within this Department are not obliged to report their ethnic origins. A voluntary staff survey into ethnic origins was carried out in 1989 and 89 per cent. of staff responded. We have since invited all new entrants to complete the questionnaire. Staff are assured that the information gathered from their responses to the survey will be used for statistical purposes only.

Staff working in my right hon. Friend the Foreign Secretary's office have been asked if they would be prepared to have the results of their own returns to the survey made public. Since some of them are not so prepared, I regret that I cannot give the information requested.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs how many and what percentage of civil servants in each of grades 1 to 5 in his Department are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9567]

Mr. Fatchett: Staff within this Department are not obliged to report their ethnic origins. According to a regular survey of staff, conducted on a voluntary and confidential basis, this Department employs no civil servants of Asian or Afro-Caribbean origin in the equivalents of home civil service grades 1 to 5.

Civil Servants

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs how many civil servants there are on each pay band in his Department. [8957]

Mr. Fatchett: Hitherto pay bands have been introduced into this Department only for the senior management structure. The numbers at each pay band are:

	Number
Grade 1	10
SMS9	1
SMS8	7
SMS7	22
SMS6	16
SMS5	46
SMS4	69
SMS3	71
SMS2	92
SMS1	117

The numbers employed in the remainder of this Department, classified by grade level, are:

	Number
DS5S/HCS6	86
DS5/HCS7	574
DS6/SEO	370
DS7M/HEO	870
DS7D/8/HEO(D)	162
DS9/EO	1,524
DS10/EA/AO	1,421
AA	233

Australia

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his Department's role in sponsoring the EU-Australia declaration on closer ties; and what assessment he has made of the effect of the declaration on Britain's Commonwealth links with Australia. [9645]

Mr. Doug Henderson: We have always advocated closer EU-Australia relations. This Department together with other Whitehall Departments has worked hard to ensure a good EU-Australia joint declaration. We therefore warmly welcome the signature of the joint declaration as a foundation for strengthened EU-Australia co-operation into the next century. The joint declaration is unlikely to have any direct effect on our Commonwealth links with Australia, but as the prime proponent of the declaration the UK has reinforced its role as Australia's partner of choice in the EU, building on an already excellent bilateral relationship.

Police and Judicial Co-operation

Mr. Streeter: To ask the Secretary for Foreign and Commonwealth Affairs what role the European Commission played at Denver on the issue of international police and judicial co-operation; if *(a)* the Schengen Agreement and *(b)* the Title VI material of the draft Amsterdam treaty were discussed during the proceedings at Denver; and if he will make a statement. [9690]

Mr. Doug Henderson: International crime was one of the main focuses of discussion at the Denver summit of the G8. The European Commission was fully involved in the discussion on crime, but neither the Schengen agreement nor title VI issues were raised.

Amsterdam Treaty

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs if the text of the Amsterdam treaty deposited in the Library is the final draft; if articles in that text may be altered substantially before the treaty is signed; which articles are currently under negotiation; and if he will make a statement. [9692]

Mr. Doug Henderson: The text placed in the Libraries of the House is a provisional version of the draft treaty of Amsterdam. The presidency is reviewing its contents, in consultation with the member states, to ensure that it accurately reflects what was agreed at Amsterdam. The text will also be recorded and scrutinised by jurist-linguists, which may result in technical changes to a number of articles.

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs under what provisions of the Amsterdam treaty information may be passed *(a)* from EU institutions to the Schengen secretariat and *(b)* from the Schengen secretariat to EU institutions. [9642]

Mr. Henderson: There are no provisions in the Amsterdam treaty relating to the passage of information between the EU institutions and the Schengen Secretariat. Under article F of the Schengen protocol

"the Council, shall, acting by a qualified majority, adopt the modalities for the integration of the Schengen Secretariat into the General Secretariat of the Council".

European Documents (Access)

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs on how many occasions the European Commission has denied a request for access to documents from an outside source since the establishment of the European Ombudsman; and what is the nature of the documents which have been withheld. [9644]

Mr. Doug Henderson: Under the code of conduct approved by the Council and the Commission concerning public access to documents, it is for each institution to implement the principles in the code as they concern access to its documents. We do not therefore hold detailed information on the requests for access to documents that have been refused by the Commission.

Sri Lanka

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his Department's recent discussions with the Minister of Justice of Sri Lanka. [9841]

Mr. Fatchett: I met the Sri Lankan Minister of Justice and Constitutional Affairs and Deputy Minister of Finance, Professor G. L. Peiris, on 19 June. We discussed bilateral economic relations and the current situation in Sri Lanka, including the Sri Lankan Government's efforts to find a resolution to the ethnic conflict.

Pakistan (Bear Baiting)

Mr. Levitt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of Pakistan about the suffering of bears in bear-baiting contests. [9769]

Mr. Fatchett: Our high commission in Islamabad has made representations to the Pakistani authorities in the past about the practice of bear baiting. In view of recent reports, they will raise the issue again and urge the Government of Pakistan to take steps to enforce the law banning this abhorrent practice.

Strategic Defence Review

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the conclusions of phase 1 of the strategic defence review. [10105]

Mr. Fatchett: Work on stage 1 of the strategic defence review is continuing. No decision has been taken on publication.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the submissions that he has received as part of the strategic defence review. [10145]

Mr. Fatchett: The Ministry of Defence and this Department have received a large number of submissions. These are the property of the authors and may not be circulated outside Government without the author's consent. We shall seek that consent and place in the libraries of the House copies of submissions whose authors consent.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10192]

Mr. Fatchett: We are the lead Department in a review of the detailed criteria used in considering licence applications for the export of conventional weapons. Its purpose is to give effect to the Government's commitment not to sell arms to regimes that might use them for internal repression or international aggression.

The review is being concluded as a matter of urgency. The new criteria will be published shortly.

INTERNATIONAL DEVELOPMENT

Procurement Policies

Mr. Goodlad: To ask the Secretary of State for International Development when she expects to complete the social audit of her Department's procurement policies. [7833]

Clare Short: We are currently examining the feasibility of a social audit. We have no specific timetable. We have started to review our procurement policies, initially with respect to contracts for Department for International development-funded construction projects. We are drawing up a detailed proposition for a DFID code of conduct for works contracts, to ensure that no project with which DFID is associated has unacceptable health and safety or employment practices. In support of this work, the development co-operation office in Delhi is studying the situation of construction workers on DFID-funded projects in India. The conclusions from this particular study will be available by November.

Policy Review

Mr. Malcolm Bruce: To ask the Secretary of State for International Development if she will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10181]

Clare Short: My Department is currently undertaking two key exercises; the preparation of a White Paper on development and the departmental spending review.

The purpose of the White Paper is to set out the Government's development agenda for the elimination of poverty and coherence of policies towards developing countries. The White Paper will be published in October.

The departmental spending review will examine all DFID's programme to ensure that the resources allocated to my Department contribute directly to the achievement of the Government's development objectives as set out in the White Paper. Emerging conclusions are expected by November.

LORD CHANCELLOR'S DEPARTMENT

Office Refurbishment

Mr. Gerald Howarth: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his answer of 7 July, *Official Report*, column *323*, if he will set out a schedule of the proposed refurbishment of the Lord Chancellor's official residence and offices within the Palace of Westminster, together with estimated costs. [9342]

Mr. Hoon: I confirm that the cost of the proposal will be in the region of £650,000. The bulk of the costs will be incurred on the restoration and refurbishment of the state rooms. I can also confirm that the following works are included in the proposals:

- Replacement and/or restoration of furniture
- Redecoration, including wallcoverings
- Replacement of soft furnishings, such as carpets, curtains and blinds
- Replacement of light fittings
- Miscellaneous work and services, including plumbing, heating, fire detection systems, electrical works and porterage charges.

The total estimated cost of £650,000 also includes fees to cover the work of a structural engineer, the preparations of designs—for light fittings and reproduction furniture—and the services of a quantity surveyor. In addition to these works, the residence will be further enhanced by the loan of very many paintings and sculptures, free of any charge, by major national institutions. The Palace of Westminster—House of Lords is moreover considering the implications of a proposal to open the state rooms to the public so that the public could benefit from viewing

both the residence, restored in accordance with an historically authentic scheme, and the works of art and sculpture within it.

EDUCATION AND EMPLOYMENT

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10190]

Dr. Howells: The Department is undertaking two departmental policy reviews. Details for each are as follows:

First, a review of the Equal Opportunities Commission is being undertaken during 1997–98. The aim is to review the functions of the EOC, the effectiveness with which they have been carried out and the likely need in the future for these functions. The review will consider the case for the continued existence of the EOC and how its functions can be best fulfilled. It will also consider the powers, constitutional status, membership and terms of reference of the EOC. The review will have regard to the Government's equal opportunities policies and to the duties of the commission as laid down in statute.

The Outcome of the review will be reported by 11 September 1997.

Secondly, a review of the Employment Service performance targets is being undertaken to ensure that the nature and level of targets set enable the ES to deliver to Ministers' priorities and have the maximum positive impact on the labour market while maintaining a high level of customer contact.

The review will report to Ministers by December of this year and will give details of the development of targets for 1998–99 and beyond.

Sir Christopher Hatton School, Wellingborough

Mr. Stinchcombe: To ask the Secretary of State for Education and Employment when he will determine the reference to him by the Sir Christopher Hatton school, Wellingborough, under section 432(3) of the Education Act 1996. [10381]

Mr. Byers: The Secretary of state has today determined that Sir Christopher Hatton school should admit all of the children concerned.

National Disability Council

Caroline Flint: To ask the Secretary of State for Education and Employment when the National Disability Council will report on its activities during the 1996–97 financial year. [10345]

Mr. Andrew Smith: I am pleased to announce that the Secretary of State has today laid the National Disability Council's second annual report before Parliament.

The NDC has reported on its activities from April 1996 to March 1997 and set out what it hopes to achieve during 1997–98. Copies of the report have been placed in the Library.

Chefs (Work Permits)

Mr. Vaz: To ask the Secretary of State for Education and Employment, pursuant to the meeting between the hon. Member for Leicester, East and the Under-Secretary of State for Employment on 30 June, if he will make a statement on what action he has taken with regard to the case of Mr. Roy. [9563]

Mr. Alan Howarth: As my hon. Friend is aware, the Department's overseas labour service has already issued a work permit for Mr. Roy to work in the UK as a chef. Mr. Roy also requires an entry visa which, I understand, has been refused. Visas are the responsibility of the migration and visa department of the Foreign and Commonwealth Office, and I understand that that Department is currently looking into its decision in this case.

Mr. Vaz: To ask the Secretary of State for Education and Employment how many work permits were issued for *(a)* Indian food and *(b)* Chinese food chefs in 1996. [9885]

Mr. Howarth: The specific information requested is not available. However, about 200 work permits were issued to chefs in 1996.

Work Permits

Mr. Vaz: To ask the Secretary of State for Education and Employment how many persons are employed on work permit issues in his Department. [9886]

Mr. Alan Howarth: The Department's overseas labour service, which deals with work permit issues, has 120 staff.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Education and Employment how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8961]

Dr. Howells: The number of staff of Asian origin in private office is fewer than six and is therefore not shown, in accordance with the Department's agreed code of conduct on the use of ethnic monitoring data.

The number of staff of Afro-Caribbean origin in the private office is seven. The percentage of staff of Afro-Caribbean origin in private office is 14 per cent. of those who have chosen to state their ethnic origin, 11 per cent. of the total number of staff.

Youth Service

Mr. Öpik: To ask the Secretary of State for Education and Employment when the audit of Youth Service provision will be completed; and if he will make a statement. [9478]

Dr. Howells: The Department is consulting currently about the form and content of the audit of youth service provision. We intend to write to local authorities in the

late autumn when the responses have been fully considered. Authorities will be given about three months to respond.

Student Governors

Mr. Öpik: To ask the Secretary of State for Education and Employment what plans he has to increase the number of student governors in further education in England and Wales; and if he will make a statement. [9135]

Dr. Howells *[holding answer 18 July 1997]:* I refer the hon. Member to the reply I gave on 15 July, *Official Report*, column *122*. Matters concerning further education institutions in Wales are for my right hon. Friend the Secretary of State for Wales.

GCSE Performance Tables

Mrs. Gordon: To ask the Secretary of State for Education and Employment what is his Department's assessment of the advantages of *(a)* including the number of pupils on the roll in September of year 11 in the performance tables for GCSE results and *(b)* including only those pupils who take GCSE exams. [9011]

Ms Estelle Morris: The 1997 secondary school performance tables will be based on the achievements of all pupils of the relevant age on roll at the time of the schools census in January. The tables will not therefore be influenced by different school policies on the entry of pupils for GCSE examinations, but will allow comparisons to be made on the basis of the achievements of all pupils by the end of compulsory schooling. Schools are, however, already able to provide for publication the GCSE achievements of all pupils in year 11, regardless of age, and value added measures will soon help give a fuller picture of school performance.

Excluded Pupils

Mrs. Gordon: To ask the Secretary of State for Education and Employment if he will ensure that when a school permanently excludes a pupil that place is made available to an excluded pupil from another school. [9085]

Ms Estelle Morris: Where a school has spare places they must be offered to any suitable applicants, regardless of their disciplinary record.

Early Years Development Plans

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will make it his policy, when considering interim early years development plans submitted to him, not to approve plans which do not include provision for the reduction in numbers of four-year-olds currently in reception classes; and if he will make a statement. [8494]

Mr. Byers: The Secretary of State approved 79 interim early years development plans on 11 July, all of which include proposals for raising standards. This is an encouraging response to the Government's early years policy. We are grateful to local authorities for all their hard work on the plans, particularly given the tight timetable.

Schools (Capital Funding)

Mr. Fitzpatrick: To ask the Secretary of State for Education and Employment if he will be taking into account factors relating to economic and social deprivation when assessing the improvement in performance that schools need to make in order to be eligible for a share of the £1.3 billion set aside for capital funding to deal with their disrepair; and how these factors will be weighted in the analysis. [9010]

Mr. Byers: I refer my hon. Friend to the reply I gave him on 17 July, *Official Report*, column *308*.

Employment Advertisements

Ms Perham: To ask the Secretary of State for Education and Employment how often since its establishment his Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9509]

Mr. Andrew Smith: For jobs within the Department and the Employment Service, no age restrictions apply with the exception of places on the modern apprenticeship scheme where age limits reflect the requirements of the national program.

When advertising posts for other employers, the Employment Service challenges age restrictions placed on vacancies to try to persuade employers to consider jobseekers on their merits. However, no records are kept of the number of vacancies displayed with age restrictions.

New Deal

Mr. Tony Clarke: To ask the Secretary of State for Education and Employment what use will be made of local partnerships under his Department's new deal proposals for providing employment for young people. [8679]

Mr. Andrew Smith: The Employment Service, working closely with the Government and the Scottish and Welsh Offices, will act as the lead agency in the delivery of new deal. This will be done in partnership with other agencies and organisations—including employers, local authorities, training and enterprise councils, career service, further education bodies, voluntary and environmental organisations, and others.

Bringing together the knowledge, services and initiative of all those who can play a part will be an important factor in delivering the new deal for unemployed people.

During the next few months, we shall be building on existing local partnerships where feasible, or establishing new ones where necessary. These partnerships will help ES in planning the nature, volume and delivery arrangements for new deal in each location.

Mrs. Gorman: To ask the Secretary of State for Education and Employment if the employment option in the new deal will require minimum pay and conditions from employers who agree to take part. [8209]

Mr. Smith: The design of the new deal will be developed alongside the Government's other employment policies, so that the benefits of all are maximised.

Welfare to Work

Mr. Levitt: To ask the Secretary of State for Education and Employment if he will ensure that communication support is provided under the welfare-to-work scheme for all deaf young people who require it; and how the provision of communication support will be administered. [9768]

Mr. Alan Howarth: We intend that disabled young people will get the help they need to meet the aim of improving their long-term employability. Detailed proposals about how this help can be provided will be developed.

CABINET OFFICE

Prime Minister's Questions

Sir Richard Body: To ask the Minister without Portfolio what is his role in the drafting and distribution of Prime Minister's Questions. [10112]

Mr. Mandelson: None.

DUCHY OF LANCASTER

Ministerial Accountability

Mr. Flynn: To ask the Chancellor of the Duchy of Lancaster what factors led his Department to undertake a review of ministerial accountability; and what is its remit and scope. [10108]

Dr. David Clark: Our manifesto promised that

"Ministerial accountability will be reviewed so as to remove recent abuses".

My right hon. Friend the President of the Council has invited the Select Committee on the Modenisation of the House of Commons to look at the means by which the House holds Ministers to account, and the Government will be ready to put papers to that Committee in the autumn. Our review will also cover the guidance given to Ministers on matters of conduct and procedure.

Policy Reviews

Mr. Malcolm Bruce: To ask the Chancellor of the Duchy of Lancaster if he will list for each Cabinet Office policy review currently in progress or scheduled *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10196]

Dr. David Clark: We are committed to reviewing ministerial accountability, and my right hon. Friend the President of the Council has asked the House of Commons Modernisation Select Committee to consider the means by which the House holds Ministers to account. The Government will be ready to put a paper to the Select Committee in the autumn.

On quangos, we have announced that our intention is to reduce overall numbers, *Official Report*, 4 June 1997, column *192*, and we are also committed to enhancing the openness and accountability of these bodies.

The outcome of both these reviews will be set out in the White Paper on "Better Government", the publication of which I announced in answer to my hon. Friend the Member for the City of Durham (Mr. Steinberg), *Official Report*, 3 June 1997, column *119*.

We have conducted a review of the existing code of practice on access to Government information to ensure that it can provide an adequate level of openness in the period until our proposed freedom of information Act comes into force. We have concluded that the discretionary elements of the code allow sufficient flexibility to achieve this. However, changes to the code may be considered if this proves not to be the case.

Like all Government Departments, we are also participating in the comprehensive spending review, the results of which will be published in the next 12 months.

WALES

Further Education Report

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the conclusions and recommendations of the second report of the Welsh Affairs Committee into further education in Wales, HC 64 96–97. [10386]

Mr. Ron Davies: The Government have today published a command paper, Cm 3708, responding to the Committee's conclusions and recommendations. On behalf of this House, I thank the Committee for their thorough and wide-ranging inquiry into further education in Wales. The Government's response, so soon after the publication of our first White Paper on Education in Wales, further demonstrates our firm commitment to making education and training more relevant and accessible to our young and adult people, and it will make a significant contribution to delivering the Government's plans for promoting life-long learning.

Welsh Assembly

Mr. Alan Williams: To ask the Secretary of State for Wales, pursuant to his statement in "Wales Deserves a Voice", how a Welsh Assembly will ensure that a future government would no longer be able to impose legislation such as the poll tax. [9554]

Mr. Ron Davies *[holding answer 21 July 1997]:* The Welsh Assembly would be the credible voice of the Welsh people. The White Paper, "A Voice for Wales", makes it clear that the Government expect the Welsh Assembly to work in partnership with the Westminster Parliament and the Government of the day. Any attempt to override the clearly expressed views of the Assembly would put that partnership in jeopardy.

Implementation of the poll tax depended upon the exercise by the Secretary of State of a multiplicity of order—and regulation-making powers. If a Government wished to impose on Wales legislation which the Assembly opposed and which related to matters such as education or health that would normally be dealt with by the Assembly, it would either have to put all the detail in the new primary legislation or have to give all the powers in that legislation to the Secretary of State.

Small Businesses

Mr. Barry Jones: To ask the Secretary of State for Wales (1) what innovations he will make it his policy to assist small businesses; [7861]

(2) what discussions he has had with the Welsh Development Agency to ensure improved services for new and small businesses. [7862]

Mr. Hain: We are committed to developing Business Connect, ensuring that it is able to respond more effectively to the needs of the small business sector. Specific initiatives will include: introducing new measures to tackle late payment; enhancing support for high technology start-ups; and better regulation. We also hope that small firms in Wales will take advantage of UK-wide initiatives like the university for industry. The Welsh Development Agency is a key player in Business Connect and will have a vital role in our efforts to support the development of the small firms sector. I met the North Wales Federation of Businesses in St. Asaph in May to discuss these and related matters.

Mr. Jones: To ask the Secretary of State for Wales what is his latest estimate of the number of small businesses in Wales. [7860]

Mr. Hain: I refer my hon. Friend to the answer that I gave him on 3 June 1997, *Official Report,* column *128.*

Regional Policy

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on how his regional policies will assist the location of new industries at *(a)* Engineer Park, Deeside, Flintshire, *(b)* Deeside Industrial Park, Flintshire and *(c)* Buckley, Flintshire; and if he will make a statement. [7864]

Mr. Hain: The main form of regional aid available for companies wishing to pursue investment projects in Wales is regional selective assistance. The RSA scheme provides discretionary grants to viable businesses for investment projects which create or safeguard employment in assisted areas. Engineer Park and Deeside Industrial Park lie within the assisted area. Therefore, investment projects at these locations are eligible for RSA support.

A range of other general industrial support measures is available throughout Wales with the objective of improving the performance of new and existing businesses and in particular supporting the development of small and medium sized enterprises. Buckley, and other non-assisted areas, will benefit from those measures.

North Wales Health Authority

Mr. Llwyd: To ask the Secretary of State for Wales what meetings and discussions have taken place between the chief executive of the North Wales health authority and *(a)* the chairpersons of the acute trusts in North Wales and *(b)* the Director of the Health Division at the Welsh Office. [8332]

Mr. Win Griffiths: Meetings between staff of the North Wales health authority and chairmen and staff of NHS trusts in the area are a matter for those concerned. The director of the Welsh Office health department has frequent discussions with chief executives of all health authorities on a wide range of issues.

Sites of Special Scientific Interest

Mr. Dafis: To ask the Secretary of State for Wales how many sites of special scientific interest in Wales he estimates will be denotified in 1998 as a result of Government funded schemes; and if he will list them. [8785]

Mr. Win Griffiths: The Countryside Council for Wales is responsible for designating sites of special scientific interest. There are currently no plans to denotify any SSSI in Wales during 1998.

Assisted Areas

Mr. Alan Williams: To ask the Secretary of State for Wales if he will list the designated assisted areas lying within *(a)* the M4 corridor and *(b)* the A55 corridor. [10148]

Mr. Hain: The assisted areas in the eastern M4 corridor, are all of those within the Cardiff and Newport travel-to-work areas, and the southern parts of those within the Pontypool and Cwmbran, Pontypridd and Rhondda, and Bridgend travel-to-work areas.

The assisted areas in the eastern A55 corridor are all of those within the Shotton, Flint and Rhyl and the Wrexham travel-to-work areas.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Wales if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10182]

Mr. Ron Davies: My Department's significant reviews are: a comprehensive spending review, to be completed in the next 12 months; a fundamental review of transport policy, to be completed spring 1998. In addition, my Department has an on-going programme of policy evaluations and reviews.

DEFENCE

Naval Aircraft Repair Organisation

Mr. Dennis Turner: To ask the Secretary of State for Defence what key targets have been set for the Naval Aircraft Repair Organisation defence agency for 1997–98. [10382]

Dr. Reid: The agency's key targets for 1997–98 are as follows:

Quantity

Target: To achieve 98 per cent. of scheduled quantity of MOD sales orders in year and thereby achieve the master schedule.

Customer satisfaction

Target: To achieve no more than 90 customer complaints.

Timeliness

Target: To achieve 93 per cent. of the delivery dates agreed with MOD customer.

Cost

Target: To achieve a reduction in the full operating cost of the NARO DA, from the 1995–96 figure, of at least 2.9 per cent. This is to include a reduction of at least 5.25 per cent

(£2.3 million) in operating costs, of which £1.5 million is mortgaged, and at least a 1.5 per cent. (£1.2 million) reduction in the cost of material consumed, and assumes constant output.

Volume

Target: To utilise 100 per cent. of the available capacity by ensuring existing and, when required, additional customers furnish the programmes of work against which resources have been allocated.

European Fighter Aircraft

Mr. Cousins: To ask the Secretary of State for Defence if consideration of the number of European fighter aircraft to be purchased will form part of the strategic defence review. [9516]

Mr. Spellar: I refer my hon. Friend to the answer I gave to the right hon. Member for Fylde (Mr. Jack) on 26 June, *Official Report*, column *627*.

Atomic Weapons Establishment

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 2 July, *Official Report*, column *180*, how many series of technical reports and pages are in current use by the atomic weapons establishment. [9495]

Mr. Spellar: The four main series of technical reports listed in the answer given to the hon. Member on 2 July 1997, *Official Report*, column *180*, are still open but little used. Other internal reports and papers are produced by the various divisions of AWE, but numerical details are not held centrally and a census would require unreasonable diversion of resources. I am, therefore, in accordance with exemption 9 of the code of practice for open government, withholding this information.

Mr. Taylor: To ask the Secretary of State for Defence how many papers have been produced in the CXD memoranda series of technical papers and reports from the atomic weapons establishment at Aldermaston; when the papers were first produced in this series; when this series ended; and how many of the papers in this series are currently unclassified. [9472]

Mr. Spellar: There are 686 papers in the CXD—chemistry and explosives division—memoranda series, 230 of which are currently unclassified. The series started in 1979 and ended in 1991. More recent papers of this type are known as CXD technical reports, of which, from 1991 to date, there have been 255; 74 of these are currently unclassified.

Service Personnel (Exposure to Radioactivity)

Mr. Livingstone: To ask the Secretary of State for Defence what research has been carried out with radioactive substances at the nuclear, biological and chemical centre at Winterbourne Gunner in Wiltshire since 1967; if service personnel have been exposed to radioactive substance *(a)* intentionally and *(b)* accidentally during this work; what radioactive substances were involved in this work; for what purposes this work was carried out; and what the results of this work were. [6359]

Mr. Spellar: The Defence Nuclear, Biological and Chemical Centre at Winterbourne Gunner does not conduct research with radioactive substances and available records show no evidence that such research has ever been conducted there. However, DNBCC does conduct training courses in NBC defence involving the use of low-level radioactive sources. Available records show that, during such training, no service personnel have been intentionally or accidentally exposed to radioactive sources, but that six personnel stationed at DNBCC at various times received small doses of radiation as a consequence of working with ionising radiation. In all cases, these were well within prescribed safe limits. The radioactive substances used at DNBCC are: tritium(H-3), cobalt-60, caesium-137, radium-226, chlorine-36, strontium-90 and nickel-63.

Organophosphates

Mr. Flynn: To ask the Secretary of State for Defence what assessment he has made of the link between exposure of soldiers to organophosphates during the Gulf war and Gulf war syndrome; and if he will make a statement. [8553]

Dr. Reid *[holding answer 16 July 1997]:* Research is currently under way to try to determine the effects of low-level exposure to organophosphate pesticides on human health in the context of ill health claimed by some farm workers. This work is sponsored jointly by the Minister of Agriculture, Fisheries and Food, the Department of Health and the Health and Safety Executive and is due to report in 1999. This will be an important step towards understanding the possible effects of potential exposures to organophosphorous-based products of British troops during the Gulf war. However, pending the outcome of this and other work, there is no firm evidence to support a link between low level exposure to OPs and adverse health effects.

HMY Britannia

Mr. Desmond Turner: To ask the Secretary of State for Defence if he will make it his policy to proceed with proposals for the preservation of the royal yacht Britannia provided that they are viable. [9019]

Dr. Reid *[holding answer 17 July 1997]:* The Government are currently considering the future of HMY Britannia. An announcement will be made as soon as a decision has been reached.

Invincible Class Carriers

Mr. Hancock: To ask the Secretary of State for Defence what plans he has for the procurement of replacements for the Invincible class carriers; and when a decision on replacement of the class is expected to be made. [9421]

Mr. Spellar: The requirement to provide platforms to support maritime fixed-wing air power beyond the projected lives of the current Invincible class carriers will be considered as part of the strategic defence review.

Departmental Contractors

Mr. Hancock: To ask the Secretary of State for Defence how many firms are on his Department's contractors list. [9404]

Mr. Spellar: Since 1994, the MOD has not maintained its own defence contractors list. Generally, for UK contractors, MOD now uses appropriately certified

companies listed in the Department of Trade and Industry's United Kingdom register of quality assessed companies. As an indication of the number of contractors with whom MOD deals, in June 1997 the Defence Bills Agency database showed that there were extant contracts with 10,320 contractors.

Research and Development

Mr. Hancock: To ask the Secretary of State for Defence what was the total expenditure on defence industry research and development in 1996. [9403]

Mr. Spellar: My Department does not maintain statistics covering expenditure by the UK defence industry on research and development. Information, based on data collected by the Office of National Statistics, can be found in table 4.1 of "Science, Engineering and Technology Statistics 1996", Cm 3257–II, which is available in the Library of the House.

Courts Martial

Mr. Vaz: To ask the Secretary of State for Defence how many persons were court-martialled in each year since 1990. [9884]

Dr. Reid: The number of persons court-martialled in each year since 1990 is set out in the table:

Year	*RN*	*Army*	*RAF*	*Total*
1990	38	917	145	1,100 (989)
1991	50	718	153	921 (884)
1992	82	763	149	994 (892)
1993	115	677	128	919 (774)
1994	113	600	91	804 (676)
1995	111	430	104	645 (515)

The figures shown are the latest we have available to date and represent the total number of service personnel tried by court-martial within that period. The figures in brackets show the number of persons actually convicted of one or more offences.

Under-18 Service Personnel

Mr. Alan Simpson: To ask the Secretary of State for Defence what is the Government's policy on the recruitment of volunteers under the age of 18 years into the armed forces. [9813]

Dr. Reid: The minimum age of recruitment of volunteers into the armed forces is 16 years.

Mr. Simpson: To ask the Secretary of State for Defence in what circumstances volunteers under the age of 18 years are *(a)* required and *(b)* permitted to be on active service in areas of armed conflict. [9815]

Dr. Reid: The armed forces comprise entirely of volunteers, regardless of the age of enlistment. Therefore, no service personnel are forced into active service in areas of armed conflict. However, once fully trained, all members of the armed forces are required to deploy to any area or duty, on orders from higher authority.

Members of the armed forces are not deployed operationally until they are fully trained. As a general rule therefore, due to the period of training, personnel are not deployed below the age of seventeen and a half years. Exceptions to this general rule may be personnel on board ship and members of the Royal Marines who could be re-deployed directly into an area of conflict from a location beyond the UK base.

Mr. Simpson: To ask the Secretary of State for Defence what is the Government's policy towards weapons training for volunteers aged under 18 years in the armed forces. [9811]

Dr. Reid: The policy towards weapons training in the armed forces is the same for all ages of volunteers. Weapons training and discipline forms an integral and essential part of the normal training programme.

Mr. Simpson: To ask the Secretary of State for Defence how many of those persons aged under 18 years in the armed forces have been killed on active service since 1993. [9809]

Dr. Reid: No persons aged under 18 years in the armed forces have been killed on active service since 1993.

Mr. Simpson: To ask the Secretary of State for Defence what plans he has to change his Department's policy towards volunteers aged under 18 years in the armed services being placed in situations of danger. [9812]

Dr. Reid: There are currently no plans to change the rules governing the deployment of under-18-year-olds in the armed forces in situations of danger, although our policies remain under constant review.

Army Foundation College

Mr. Alan Simpson: To ask the Secretary of State for Defence what is the Government's policy on the Army Foundation College. [9808]

Dr. Reid: The Army Foundation College is part of the manning of the army strategy, which aims to return the Army to full manning by 2002. The college will provide young people aged between 16 and 17 destined for the Royal Armoured Corps, the Royal Artillery and the infantry, with vocational, adventurous leadership and basic military training and will also give them a good grounding in six NCVQ key skills. On graduation from the college, they will go on to trade training before joining the Field Army. The intention is that the college will be funded through the private finance initiative. Until this process is complete, we cannot therefore be certain of the college's location, although the successful contractor will be offered the site of the former Apprentices' college in Harrogate.

West Indies Guard Ship

Mr. Faber: To ask the Secretary of State for Defence what representations he has received from the Department for International Development concerning the West Indies guard ship. [10104]

Dr. Reid: My Department has received no representation from the Department for International Development concerning the West Indies gaurd ship.

Defence Review

Mr. Key: To ask the Secretary of State for Defence if he will place in the Library copies of all the submissions made to his Department on the strategic defence review. [9985]

Dr. Reid: We have received a large number of inputs from outside bodies and individuals. These submissions are the property of the authors and the Department may not circulate them outside Government without the authors' consent. Our intention is to seek that consent and to place in the Library of the House copies of these inputs where consent has been given.

Reservist Aircrew

Mr. Hoyle: To ask the Secretary of State for Defence what further arrangements have been made for the wider employment of reservist aircrew in the Royal Air Force. [10387]

Dr. Reid: I am pleased to announce that, following the success of trials using reservist aircrew to augment regular personnel on the Hercules aircraft and Wessex helicopter, a trial is to be conducted between 1 October 1997 and 30 September 1998 to evaluate the feasibility of recruiting and training volunteer reservist aircrew for employment on the Tornado F3 aircraft. Trials involving other aircraft types may follow next year.

SCOTLAND

Hunting

Mr. Clifton-Brown: To ask the Secretary of State for Scotland how many representations he has received from *(a)* supporters and *(b)* opponents of hunting on the subject of hunting on Forestry Commission land; and if he will list them. [8894]

Mr. Chisholm: Ministers and the Forestry Commission have received thousands of representations on this matter in recent years, both from supporters and opponents of hunting. Listing these representations could be done only at disproportionate cost.

Civil Servants

Mr. Vaz: To ask the Secretary of State for Scotland how many civil servants there are on each pay band in his Department. [8939]

Mr. Dewar: A pay and grading review is currently underway in The Scottish Office and its executive agencies other than the Scottish Prison Service, but has not been completed. Staffing figures are therefore shown on the basis of standard civil service grades in the table.

The Scottish Office and its executive agencies (excluding SPS) at 1 April 1997

Grade equivalent	*Full-time equivalent*
Senior civil service	151.4
Grade 6	151.2
Grade 7	396.5
Senior executive officer	350.1
Higher executive officer	733.6
Executive officer	877.8
Administrative officer	990.6
Administrative assistant	997.8
Industrial	305.0
Total	4,954.0

As a pay and grading review has taken place in the Scottish Prison Service it is possible to provide a breakdown by pay band, although numbers are available on a headcount rather than an FTE basis. The information is set out in the table.

The Scottish Prison Service at 1 April 1997

Band	*Pay range*	*Headcount*
Senior civil servants		
I	£33,700–£52,100	6
H	£28,100–£43,400	6
G	£23,500–£35,750	58
F	£17,900–£30,650	296
E	£14,300–£25,550	563
D	£11,450–£21,450	2,261
C	£9,300–£16,350	1,194
B	£7,350–£11,450	200
A	£6,150–£9,600	40
Total		4,654

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Scotland how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8937]

Mr. Dewar: At 1 July 1997 none of the 46 staff employed in the Scottish Office ministerial private offices was of Asian or Afro-Caribbean origin.

Children (Scotland) Act 1995

Mr. Gorrie: To ask the Secretary of State for Scotland what estimate was made by the reporters service of the additional resources required to administer the Children (Scotland) Act 1995; and what additional resources have been provided. [9616]

Mr. Galbraith: The Scottish Children's Reporter Administration's estimate to implement its responsibilities under the 1995 Act was for an additional £804,000. This additional requirement was taken into account along with other factors in setting the administration's baseline of £10,300,000, an increase of £200,000 over the previous year's provision.

Capital Receipts Initiative

Mr. Welsh: To ask the Secretary of State for Scotland if he will make a statement on the consultation process which will take place on the distribution of funds under the capital receipts initiative. [9956]

Mr. Chisholm: My right hon. Friend announced on 3 July that he would wish to discuss with local government and Scottish Homes how we might deploy

the additional £12.5 million made available for housing investment in Scotland this year and the additional £43.7 million made available next year. He indicated that he was in favour of using the resources to support welfare to work schemes directed at improving the energy efficiency of our housing stock, and to take forward our policy of new housing partnerships. The Department is consulting the Convention of Scottish Local Authorities and Scottish Homes accordingly and a further announcement will be made as soon as possible.

Scottish Arts Council Inquiry

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland, pursuant to his answer of 9 June, *Official Report*, column *321*, (1) if he will identify the report produced at the conclusion of the Scottish Arts Council inquiry into the production assisted by the Scottish film production fund; who wrote it; if copies will be publicly available; and what is its projected date of publication; [9960]

(2) when the Scottish Arts Council inquiry into productions assisted by the Scottish film production fund was instituted; what was the total cost of producing the inquiry's report; and if he will indicate those individuals and bodies which have had sight of the report prior to publication.

Mr. Galbraith: The Scottish Arts Council commissioned Morgan Harris Burrows in February 1997 to report on the handling of national lottery film-related applications in Scotland. The cost of producing the report was £12,867. The report has not been published, but is available on request from the Scottish Arts Council. Arrangements are being made to place a copy in the Library of the House.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Scotland if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10187]

Mr. Dewar: The following major departmental policy reviews are in progress:

	Purpose of review
Review of transport policy	The purpose of this review is to enable a White Paper setting out our proposals for an integrated transport policy to be published early next year.
Review of the Scottish trunk roads programme	The purpose of this review is to enable decisions to be taken on the future roads programme which complement our overall approach on transport policy. It is expected to be completed by summer 1998.
Strategic review of Scottish Enterprise and the Local Enterprise Companies	The purpose of the review is for SE, in consultation with the department, to examine their strategic objectives with a view to improving the effectiveness, responsiveness and the accountability of the enterprise network in Scotland. The review is expected to be completed during the course of the Summer.
Water authorities review	The purpose of the review is to consider the steps which might be taken to strengthen local democratic control of the three Scottish water authorities. It is expected to be completed in November.
Review of planning policy for opencast coal mining in Scotland	The purpose of this review is to follow up the 10-point plan for opencasting, published in April 1997. Consultation on the issues will commence shortly with a view to completion of the review by the autumn.
Housing reviews	There are to be two reviews relating to housing. The first is to examine the way in which Scottish Homes supports social rented housing; the second is to review the various home ownership schemes administered by Scottish Homes. The reviews are expected to be completed by spring 1998.
Best value regime in local government	The purpose of the review by the joint Scottish Office/Convention of Scottish Local Authorities task force is to develop the essential elements of the new best value arrangements. The task force's first draft report was presented to the Secretary of State and COSLA on 4 July and councils will be required to assess by Autumn how far they meet the essential elements; if they wish to apply for further exemption from compulsory competitive tendering.
Review of development planning in Scotland	The purpose of this review is to identify aspects of the present development plan procedures which prevent effective and efficient preparation and processing of plans, and changes which could be introduced to minimise their effect. The review is due to be completed by the end of 1997.
Review of further education colleges' funding methodology	The purpose is to review the current arrangements for the distribution of Government grant funding for further education colleges in Scotland to determine that these efficiently and effectively support and deliver the objectives for the sector set out by Ministers and reflect appropriate funding principles; and to identify the scope for improvement in consultation with the sector. The review is presently expected to be completed in September.

Scottish Community Education Council

Mr. David Stewart: To ask the Secretary of State for Scotland if he will make a statement about the forthcoming policy and financial review of the Scottish Community Education Council. [10344]

Mr. Dewar: My Department will conduct a review of the Scottish Community Education Council during 1997 under the programme of five yearly non-departmental public body reviews. The review will examine the status and functions of the Scottish Community Education Council in accordance with Cabinet Office guidance.

The first stage of the review will take the form of a "prior options" study. This will assess the extent to which the functions that the Scottish Community Education

Council performs are necessary for the achievement of the Government's policies, and whether there is scope for privatising, contracting out or transferring all, or part of its functions to another body. The results of the prior options study will inform a detailed review of the Council's policy and financial management systems.

The review will also examine the roles of other organisations involved in the development of community education in Scotland and the scope for co-ordination of their activities with those of the Council to ensure maximum value for money from the central government resources available for community education in Scotland.

This study will commence in the late summer. In order to help ensure that all options are considered fully, comments from interested parties will be welcome. Comments should be sent by 12 September 1997 to:

Mrs. P. A. Morrison
Head of the Community Education Branch
The Scottish Office Education and Industry Department
Area 2A West
Victoria Quay
Edinburgh
EH6 6QQ.

Infertility Treatment

Mr. Wigley: To ask the Secretary of State for Scotland how many sets of *(a)* twins, *(b)* triplets, *(c)* quadruplets, *(d)* quintuplets and *(e)* sextuplets were born in Scotland in each year since 1990; how many maternities there were in each year; and how many multiple births in each category were conceived as a result of (i) in-vitro fertilisation, (ii) gamete intra-fallopian transfer and (iii) other forms of assisted conception. [8177]

Mr. McLeish *[holding answer 21 July 1997]:* The information is as follows:

Type of birth	*1990*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*[1]
Twins:							
2 live	711	682	790	751	762	780	775
1 live, 1 stillbirth	15	22	11	25	13	31	22
2 stillbirth	5	5	6	4	3	5	3
Triplets:							
3 live	14	18	15	10	16	27	27
2 live, 1 stillbirth	2	4	—	—	—	1	2
1 live, 2 stillbirth	—	2	—	—	—	1	—
Quadruplets:							
4 live	1	1	—	—	—	1	—
3 live, 1 stillbirth	—	1	—	—	—	—	—
Quintuplets	—	—	—	—	—	—	—
Sextuplets	—	—	—	—	—	—	—
Number of maternities	65,556	66,630	65,307	62,946	61,224	59,271	58,831

[1] Provisional.

Information on the number of multiple births in Scotland attributed to assisted conception is not available. The tables show, on a UK basis, the information on pregnancies and births following assisted conceptions provided by the annual reports of the Human Fertilisation and Embryology Authority.

Pregnancies conceived from 1990 to 1994 through IVF or Donor insemination

	Singleton	*Twin*	*Triplet*	*Quad or greater*
IVF clinical pregnancies (includes frozen embryo transfer and ISCI)				
1990[1]	1,404	411	69	1
1991[2]	1,491	503	75	1
1992	2,109	709	118	0
1993	2,807	847	148	1
1994	3,064	1,009	197	3
1995	To be published in 1997 annual report (October 1997)			

Notes:

[1] Data collected by OPCS for the Interim Licensing Authority.

[2] Data for 1 January 1991 to 31 July 1991 collected by OPCS 1 August 1991 to 31 December 1991 collected by the HFEA.

Pregnancies conceived from 1990 to 1994 through IVF or Donor insemination

	Singleton	*Twin*	*Triplet*	*Quad or greater*
IVF Live births events (includes frozen embryo transfer and ICSI)				
1990	No figures available			
1991	No figures available			
1992	1,592	627	99	0
1993	2,164	790	134	1
1994	2,376	929	170	2
1995	To be published in 1997 annual report (October 1997)			

Pregnancies conceived from 1990 to 1994 through IVF or Donor insemination

	Singleton	*Twin*	*Triplet*	*Quad or greater*
Donor insemination clinical pregnancies (includes GIFT with donor sperm)				
1990	No data available			
1991[1]	545	31	3	0
1992	1,527	93	10	1
1993	1,678	123	[2]18	

Pregnancies conceived from 1990 to 1994 through IVF or Donor insemination

	Singleton	Twin	Triplet	Quad or greater
1994	1,838	110	17	1
1995	To be published in 1997 annual report (October 1997)			

Notes:

[1] Data available from 1 August 1991 to 31 December 1991 only. Prior to 1 August 1991 data was collected by the OPCS and did not include Donor Insemination data.

[2] Includes three clinical pregnancies/live birth events which were reported as "triplet or greater".

Pregnancies conceived from 1990 to 1994 through IVF or Donor insemination

	Singleton	Twin	Triplet	Quad or greater
Donor insemination live birth events (includes GIFT with donor sperm)				
1990	No figures available			
1991	No figures available			
1992	1,212	83	10	1
1993	1,387	112	[1]18	
1994	1,549	105	16	1
1995	To be published in 1997 annual report (October 1997)			

Note:

[1] Includes three clinical pregnancies/live birth events which were reported as "triplet or greater".

Pupil Exclusions

Mr. Burstow: To ask the Secretary of State for Scotland how many children with statements of special educational needs were permanently excluded from schools in Scotland in *(a)* 1993–94 and *(b)* 1994–95; and what each figure was as a proportion of the total number of children permanently excluded from schools. [8724]

Mr. Wilson *[holding answer 21 July 1997]:* Information on the number of pupils with statements of special educational needs who were permanently excluded from school is not held centrally.

Information on the total number of pupils permanently excluded from school is available for 1994–95 but was not collected in prior years. The information for 1994–95, consistent with that set out in the report on attendance and absence in Scottish schools, 1994–95 published by the audit unit of HM inspectors of schools, is set out in the table.

	Number of pupils permanently excluded from schools in 1994–95
Primary pupils	47
Secondary pupils	296

Debt Payment

Mrs. May: To ask the Secretary of State for Scotland what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9525]

Mr. Chisolm *[holding answer Friday 18 July 1997]:* All Departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could be provided only at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

HIV-AIDS

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland how many new HIV infections there have been among *(a)* intravenous drug users, *(b)* heterosexuals and *(c)* homosexuals in the age groups (1) 16 to 25, (2) 26 to 35, (3) 36 to 45, (4) 46 to 55 and (5) over 55s by health authority (i) each year since 1985 and (ii) in total; if he will list the year on year change in each group in percentage terms; and if he will make a statement about the Government's targeting of HIV-AIDS prevention materials. [9221]

Mr. Galbraith *[holding answer Monday 21 July 1997]:* Information about diagnosed HIV infections in Scotland is held in the transmission categories and age groups shown in table 1. Individuals often do not seek testing unless they believe themselves to be at risk or develop symptoms and hence reported HIV infections underestimate the true number of cases. In addition, these figures may be subject to under-reporting.

The figures are given on an all-Scotland basis because presenting data by health boards may threaten confidentiality in low prevalence areas. Table 2 shows the year on year change in each group in percentage terms.

The Government's targeting of HIV-AIDS prevention materials is in line with the UK health Departments' Strategy, "HIV and AIDS Health Promotion: An Evolving Strategy", November 1995. This emphasised the need for better targeting of vulnerable groups such as gay men, as well as the need to inform the general population about the continuing potential risks from HIV.

In Scotland, recent data indicate that new infections among gay men remain the highest of all transmission categories. In line with the strategy, The Scottish Office Department of Health is funding a project involving prevention work for gay men in Scotland. In addition to work aimed at the general population, The Health Education Authority carry out a limited amount of prevention work UK-wide targeted at gay and bisexual men. HIV-AIDS is one of the priority areas for the Health Education Board for Scotland; and its work at national level is complemented by the local activities of health boards.

Table 1: HIV reports, Scotland by transmission category, age group at report, and year of report—1985 to 1996

Transmission category	*Age group*	*1985*	*1986*	*1987*	*1988*	*1989*	*1990*
Injecting drug use	0–4	0	0	0	0	0	0
	15–24	88	143	106	31	32	18
	25–34	60	80	57	30	14	13
	35–44	8	12	8	5	4	4
	45–54	0	0	0	0	0	0
	55+	0	0	1	0	0	0
	Not known	5	6	3	1	0	0
	Total	161	241	175	67	50	35
Sexual intercourse between men and women	0–14	0	0	0	0	0	0
	15–24	1	4	8	5	9	15
	25–34	0	15	10	18	10	14
	35–44	0	0	5	7	5	7
	45–54	0	0	0	0	2	2
	55+	0	0	0	1	0	2
	Not Known	0	1	1	0	0	0
	Total	1	20	24	31	26	40
Sexual intercourse between men	0–14	0	0	0	0	0	0
	15–24	19	23	19	14	7	7
	25–34	33	31	26	22	24	26
	35–44	14	11	16	8	10	20
	45–54	6	6	4	3	5	3
	55+	1	1	1	0	2	1
	Not known	1	2	1	0	0	0
	Total	74	74	67	47	48	57
Other (e.g. blood transfusion, mother to child, undetermined)	0–14	15	3	7	0	3	3
	15–24	5	4	1	2	2	0
	25–34	4	4	2	3	2	5
	35–44	5	1	1	1	2	0
	45–54	1	1	1	0	0	0
	55+	1	1	1	0	1	0
	Not known	1	1	1	0	0	0
	Total	32	15	14	6	10	8
Total	0–14	15	3	7	0	3	3
	15–24	113	174	134	52	50	40
	25–34	97	130	95	73	50	58
	35–44	27	24	30	21	21	31
	45–54	7	7	5	3	7	5
	55+	2	2	3	1	3	3
	Not known	7	10	6	1	0	0
	Total	268	350	280	151	134	140

Transmission category	*Age group*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*	*Totals 1985–96*
Injecting drug use	0–14	0	0	0	0	0	0	0
	15–24	12	14	16	2	3	1	466
	25–34	31	19	34	14	18	21	391
	35–44	6	6	5	9	6	5	78
	45–54	1	0	1	1	0	3	6
	55+	0	0	0	0	0	0	1
	Not known	0	0	0	0	0	0	15
	Total	30	39	56	26	27	307	957
Sexual intercourse between men and women	0–14	0	0	0	0	0	0	0
	15–24	8	13	7	7	0	8	85
	25–34	19	23	24	25	22	21	201
	35–44	8	4	6	2	25	14	83
	45–54	4	4	3	2	7	4	28
	55+	3	2	1	3	3	1	16
	Not known	0	0	0	0	0	0	2
	Total	42	46	41	39	57	48	415

Transmission category	Age group	1991	1992	1993	1994	1995	1996	Totals 1985–96
Sexual intercourse between men	0–14	0	0	0	0	0	0	0
	15–24	10	3	10	8	5	12	137
	25–34	23	29	38	37	40	31	360
	35–44	19	18	20	25	28	26	215
	45–54	9	7	5	8	6	12	74
	55+	3	4	1	3	1	3	21
	Not known	0	0	0	0	0	0	4
	Total	64	61	74	81	80	84	811
Other (e.g. blood transfusion, mother to child, undermined)	0–14	6	0	3	2	4	0	46
	15–24	0	1	0	1	2	0	18
	25–34	0	2	0	1	3	5	31
	35–44	1	1	2	0	2	2	18
	45–54	2	0	1	2	2	1	11
	55+	0	0	0	1	0	1	6
	Not known	0	0	0	0	0	0	3
	Total	9	4	6	7	13	9	133
Total	0–14	6	0	3	2	4	0	46
	15–24	30	31	33	18	10	21	706
	25–34	73	73	96	77	83	78	983
	35–44	34	29	33	36	61	47	394
	45–54	16	11	10	13	15	20	119
	55+	6	6	2	7	4	5	44
	Not known	0	0	0	0	0	0	24
	Total	165	150	177	153	177	171	2,316

Table 2: Percentage change from previous year

Transmission category	Age group	1985	1986	1987	1988	1989	1990
Injecting drug use	0–14	—	—	—	—	—	—
	15–24	5	63	–26	–71	3	–44
	25–34	107	33	–29	–47	–53	–7
	35–44	60	50	–33	–38	–20	0
	45–54	—	—	—	—	—	—
	55+	—	—	—	–100	—	—
	Not known	67	20	—50	–67	–100	—
	Total	33	50	–27	–62	–25	–30
Sexual intercourse between men and women	0–14	—	—	—	—	—	—
	15–24	–50	300	100	–38	80	67
	25–34	–100	—	—33	80	–44	40
	35–44	—	—	—	40	–29	40
	45–54	—	—	—	—	—	0
	55+	—	—	—	—	–100	—
	Not known	—	—	0	100	—	—
	Total	–67	1,900	20	29	–16	54
Sexual intercourse between men	0–14	—	—	—	—	—	—
	15–24	533	21	–17	–26	–50	0
	25–34	560	–6	–16	–15	9	8
	35–44	1,300	–21	45	–50	25	100
	45–54	500	0	–33	–25	67	–40
	55+	—	0	0	–100	—	–50
	Not known	—	100	–50	–100	—	—
	Total	640	0	–9	–30	2	19
Other (e.g. blood transfusion, mother to child, undetermined)	0–14	400	–80	133	–100	—	0
	15–24	67	–20	–75	100	0	–100
	25–34	–43	0	–50	50	–33	150
	35–44	–58	–80	0	0	100	–100
	45–54	–67	0	0	–100	—	—
	55+	—	0	0	–100	—	–100
	Not known	—	0	0	–100	—	—
	Total	14	–53	–7	–57	67	–20

Table 2: Percentage change from previous year

Transmission category	*Age group*	*1985*	*1986*	*1987*	*1988*	*1989*	*1990*
Total	0–14	400	–80	133	–100	—	0
	15–24	23	54	–23	–61	–4	–20
	25–34	131	34	–27	–23	–32	16
	35–44	50	–11	25	–30	0	48
	45–54	75	0	–29	–40	133	–29
	55+	—	0	50	–67	200	0
	Nor known	133	43	–40	–83	–100	—
	Total	65	31	–28	–46	–11	4

Note:
A dash denotes that there were no cases reported during the previous year.
Source:
Scottish Centre for Infection and Environmental Health (as at 30 June 1997).

Transmission category	*Age group*	*1991*	*1992*	*1993*	*1994*	*1995*	*1996*
Injecting drug use	0–14	—	—	—	—	—	—
	15–24	–33	17	14	–88	50	–67
	25–34	138	–39	–79	–59	29	17
	34–44	50	0	–17	80	–33	–17
	45–54	—	–100	—	0	–100	—
	55+	—	—	—	—	—	—
	Not known	—	—	—	—	—	—
	Total	43	–22	44	–54	4	11
Sexual intercourse between men and women	0–14	—	—	—	—	—	—
	15–24	–47	63	–48	0	–100	—
	25–34	36	21	4	4	–12	–5
	35–44	14	–50	50	–67	1,150	–44
	45–54	100	0	–25	–33	250	–43
	55+	50	–33	–50	200	0	–67
	Not known	—	—	—	—	—	—
	Total	5	10	–11	–5	46	–16
Sexual intercourse between men	0–14	—	—	—	—	—	—
	15–24	43	–70	233	–20	–38	140
	25–34	–12	26	31	–3	8	–23
	35–44	–5	–5	11	25	12	–7
	45–54	200	–22	–29	60	–25	100
	55+	200	33	–75	200	–67	200
	Not known	—	—	—	—	—	—
	Total	12	–5	21	9	–1	5
Other (e.g. blood transfusion, mother to child, undetermined)	0–14	100	–100	—	–33	100	–100
	15–24	—	—	–100	—	100	–100
	25–34	–100	—	–100	—	200	67
	35–44	—	0	100	–100	—	0
	45–54	—	–100	—	100	0	–50
	55+	—	—	—	—	–100	—
	Not known	—	—	—	—	—	—
	Total	13	–56	50	17	86	–31
Total	0–14	100	–100	—	–33	100	–100
	15–24	–25	3	6	–45	–44	110
	25–34	20	0	32	–20	8	–6
	35–44	10	–15	14	9	69	–23
	45–54	220	–31	–9	30	15	33
	55+	100	0	–67	250	–43	25
	Not known	—	—	—	—	—	—
	Total	18	–9	18	–14	16	–3

Note:
A dash denotes that there were no cases reported during the previous year.
Source:
Scottish Centre for Infection and Environmental Health (as at 30 June 1997).

Sustainably Produced Timber

Mr. Baker: To ask the Secretary of State for Scotland what steps his Department is taking to encourage the use of timber from sustainably managed forests. [9536]

Mr. Chisholm *[holding answer 21 July 1997]:* My right hon. Friend the Prime Minister announced at the recent UN General Assembly special session that the Government are preparing a new forest standard to provide a benchmark for the management of our forests. The Forestry Commission will monitor achievement against that standard. This initiative will help assure consumers that timber grown in Britain comes from sustainably managed forests. In addition, we are working to promote sustainable forestry abroad through our development assistance programme.

NORTHERN IRELAND

Public Order Offences (Londonderry)

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many illegal republican parades and demonstrations her Department assesses to have taken place in Londonderry city during the last year; and how many persons have been charged with public order offences as a consequence. [4062]

Mr. Ingram: During the past year, there was one illegal Republican parade in Londonderry city. To date, no persons have been charged with public order offences.

Killyleagh Community Hall

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland on what dates the central community relations unit received the outline design for the Killyleagh community hall from Down district council; on what dates the CCRU decided to appoint independent consultants to prepare an economic appraisal of the project; when the consultants were advised of their appointments by the CCRU; and when the CCRU received the economic appraisals from the consultants. [4785]

Mr. Worthington: The central community relations unit received the outline design for Killyleagh community hall on 21 February 1996; CCRU decided to appoint independent consultants to assess the proposal as a stand-alone project on 16 December 1996; the consultants were given written confirmation of their appointment on 21 March 1997; and the economic appraisal was received on 17 June 1997.

This application was unusual as a separate application for a capital project with a cross community dimension in the same area was also received in 1996. It was important to consider the relationship between both projects and to avoid duplication. Consequent on the economic appraisal, CCRU will recommend grant aid for the community hall and has informed Down district council accordingly.

Absent Voting Papers

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland if she will list the number of absent voting papers issued in *(a)* each parliamentary constituency and *(b)* in Northern Ireland for the (i) 1992 and (ii) 1997 elections, and the percentage difference between 1992 and 1997 for each constituency; and if she will make a statement. [7722]

Marjorie Mowlam: The information is as follows:

1992 and 1997 Northern Ireland general election: absent voting

Parliamentary constituency	*Absent voting*		*Percentage difference*
	1992	*1997*	
North Down	1,048	1,052	0.40
Strangford	938	1,271	35.50
South Down	5,359	3,504	34.61
Lagan Valley	1,104	1,443	30.71
Upper Bann	1,854	1,759	–5.12
Newry and Armagh	3,580	3,960	10.61
Fermanagh and South Tyrone	5,847	5,996	2.55
Mid-Ulster	3,638	5,047	38.73
Foyle	1,531	1,460	–4.64
East Londonderry	2,409	2,128	–11.66
North Antrim	1,032	1,467	42.15
East Antrim	1,002	793	–20.86
South Antrim	962	884	–8.11
Belfast north	615	847	37.72
Belfast east	638	912	42.93
Belfast south	856	886	3.50
Belfast west	757	1,104	45.84
West Tyrone	—	4,372	—
Totals	33,170	38,885	17.23

These figures show a significant rise in the numbers of absent votes in Northern Ireland over the last two general elections. Due to boundary changes which increased the number of Northern Ireland constituencies by one in 1995, there is no strict comparison between the two elections.

However, in just under a third of Northern Ireland parliamentary constituencies the number of absent votes issued was greater in 1992 than at the 1997 general election. In those constituencies which did see an increase in the absent votes issued, in a quarter of these cases the percentage increase was less than 5 per cent. It is the case that in just under half of the 17 constituencies there has been an increase of more than 30 per cent. in the numbers of absent votes issued.

The Government have made it clear that they are concerned at the increase in the numbers of absent votes issued at the last election, and that will study with interest the results of the study begun by the chief electoral officers into all absent vote applications in Northern Ireland for the last three elections.

Orange March, Garvaghy Road

Mr. Corbyn: To ask the Secretary of State for Northern Ireland when the decision was taken to allow the Orange Order march down the Garvaghy road on 5 July; and what criteria were used in coming to that decision. [8481]

Mr. Ingram *[holding answer 14 July 1997]:* I refer the hon. Member to the answer I gave to him on 18 July 1997, *Official Report*, column *338*.

AGRICULTURE, FISHERIES AND FOOD

Members' Interests

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8113]

Dr. Jack Cunningham: The first report from the Committee on Standards in Public Life (Cm 2850) made it clear that, when Members are meeting Ministers or others on topics in which they have an interest, the onus is on the Member to declare that interest, not the Minister to know—paragraph 63 of Cm 2850). It is not practicable for Ministers and officials, among their other duties, to vet requests for meetings against the Register of Members' Interests.

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those hon. Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8110]

Dr. Cunningham: The first report from the Committee on Standards in Public Life, Cm 2850 recognised the value of enabling Members to retain interests outside the House, provided that these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8111]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8112]

Dr. Jack Cunningham: As my right hon. Friend the Prime Minister explained in his reply to my hon. Friend for Newport, West (Mr. Flynn) on 2 June 1997, *Official Report,* column *99,* Ministers and officials in my Department receive deputations from many groups which are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public and Government policy. As it is not practicable to distinguish particular groups as lobbyists, my Department cannot and does not keep a register of such meetings.

Live Animal Transport

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what regulations govern the transportation of poultry between farms and slaughterhouses. [8663]

Mr. Morley: Welfare provisions for the transport of poultry, and other animals, are contained in the Welfare of Animals (Transport) Order 1997.

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what research his Department has *(a)* commissioned and *(b)* evaluated on the compliance of transporters with laws protecting animals during international transit. [8660]

Mr. Morley: It has been stated in a European Commission report, and is widely acknowledged, that transporters commonly flout the rules on welfare in transit when transporting livestock over long distances on the continent. The Department has undertaken no research on this, but has arrangements in place with certain other member states to undertake spot checks on compliance with route plans declared in advance when animals are sent from Great Britain. These arrangements will continue, in support of the activities of local authorities in pursuit of their statutory responsibility to enforce the tougher controls we have now introduced in the Welfare of Animals (Transport) Order 1997.

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food how many *(a)* inquiries and *(b)* applications have been received by his Department for licences for exporting animals under the Welfare of Animals (Transport) Order 1957; and how many licences have been granted. [8677]

Mr. Morley: There is no requirement in the Welfare of Animals (Transport) Order 1997 for exports of animals to be licensed. However, the order does require that, from 1 October 1997, anyone transporting cattle, sheep, pigs, goats or horses on a journey over eight hours must have a specific authorisation to engage in this activity. The process of receiving and processing applications for these authorisations is at an early stage: we have received 67 applications to date.

Broiler Chickens

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what plans he has to restrict the selective breeding for rapid growth of broiler chickens. [8656]

Mr. Morley: Selective breeding for rapid growth of broiler chickens is not, of itself, a cause for concern. It is, however, important to consider the implications for the welfare of the birds. An independent review by the Farm Animal Welfare Council, which will cover all aspects of the broiler breeding industry including selection procedures, is currently under way. I look forward to receiving the council's recommendations as to the direction of any future controls.

Hunting (Forestry Commission Land)

Mrs. Ballard: To ask the Minister of Agriculture, Fisheries and Food when the review of hunting on

Forestry Commission land will be completed; what is the composition of the body undertaking it; and what its terms of reference are. [8729]

Mr. Morley: The review of hunting on Forestry Commission land is an internal review which is being carried out by the forestry commissioners and commission officials as a normal part of their duties. The commissioners aim to complete their review later this summer.

Mr. Swayne: To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with the Forestry Commission regarding the review of hunting with hounds on forestry commission land. [8891]

Mr. Morley *[holding answer 15 July 1997]:* The forestry commissioners are reviewing their policy on hunting with hounds on commission land, and will advise us of their conclusions in due course.

Ethnic Minorities

Mr. Vaz: To ask the Minister of Agriculture, Fisheries and Food how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8967]

Mr. Morley: Of the individuals working in the Minister's Private Office, one is of Asian origin—16.66 per cent. of staff—and two—33.3 per cent. of staff are of Afro-Caribbean origin.

Jules Hurry

Mr. Evans: To ask the Minister of Agriculture, Fisheries and Food what investigation was carried out into the political activities of the civil servant Jules Hurry. [9015]

Mr. Morley: The Department has recently concluded a full investigation under its disciplinary procedures. It is long-established Government practice that the results of such investigations are not made public.

Sheep Exports

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what steps he is taking *(a)* to ensure that sheep exported from the United Kingdom on 5 July and currently held at two Italian abattoirs whilst a dispute about their health certification is resolved are properly cared for and *(b)* to resolve that dispute; and if he will make a statement. [9410]

Mr. Morley: Responsibility for the welfare of the exported sheep now rests with the Italian authorities We have pressed them to fulfil this responsibility, and understand that the Italian authorities are regularly checking the animals and the conditions in which they are being kept. We have made it clear to the Italian authorities that the certification that they are demanding has no basis in Community law and that we cannot provide it. We have also drawn the position to the attention of the European Commission. As we have stressed to the Italian authorities, it is vital, in the absence of an immediate solution to this problem, that what is to happen to the sheep is quickly resolved.

Employment Advertisements

Ms Perham: To ask the Minister of Agriculture, Fisheries and Food how often, since 1992, his Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9513]

Mr. Morley: Since 1992, neither the core Department nor its agencies have used age restrictions in any recruitment advertisements.

Bovine Tuberculosis

Mrs. Ann Winterton: To ask the Minister of Agriculture, Fisheries and Food when he expects to receive Professor Krebs's report on bovine tuberculosis; what compensation he intends to make to farmers for damage suffered as a result of the current curtailment of badger removal operations; and if he will make a statement. [9464]

Mr. Rooker: Professor Krebs's report is expected later this year. Compensation is already paid to farmers for animals compulsorily slaughtered as reactors to the tuberculin test or as contacts.

Flax

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food (1) if he will make a statement on his policy towards flax sowing, with special reference to the Offham marshes site of special scientific interest near Lewes; [9518]

(2) what plans he has to amend the fibre flax regime to prevent previously uncultivated land which is ploughed from qualifying for payments under the regime; and if he will make a statement. [9520]

Mr. Rooker *[holding answer 18 July 1997]:* The Government consider that fibre flax is a useful alternative crop, whose production we should in general like to encourage. A number of changes have recently been made to the EU regime which should ensure that flax is grown on suitable land, appropriately cultivated and processed for a definite end use.

However, in view of recent concern, we are looking at a range of options specifically to address the problem of flax cultivation on valuable wildlife sites.

As regards the Offham marshes site of special scientific interest, I understand that ploughing and cultivation of crops is considered to be an acceptable operation, provided certain safeguards are observed.

Honey

Mr. Paice: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the proposal for a European Council Regulation to improve the production and marketing of honey (Com 96/0596). [9329]

Mr. Rooker *[holding answer 18 July 1997]:* The Commission proposal for a regulation concerning the production and marketing of honey was adopted at the Council of Ministers meeting of 23 to 25 June. I welcome the regulation, which mainly aims to assist the beekeeping sector in dealing with the burden of the bee disease varroa. We are currently assessing how the UK might

make the best use of the expenditure reimbursement provisions of the regulation and will consult the industry and others about it.

Cattle Cull

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food what measures he is taking to ensure that the reduction in abattoir contracts does not increase the backlog of cattle awaiting slaughter. [9544]

Mr. Rooker *[holding answer 21 July 1997]:* The indicative throughputs associated with the new abattoir contracts are based on regional forecasts of animals expected to enter the scheme with a sufficient margin to allow for seasonal fluctuations.

The current bottleneck at abattoirs has risen because producers are seeking to bring forward their culling plans before changes to the over-30-months scheme are introduced on 4 August. For the two weeks leading up to these changes, the indicative throughputs will be increased substantially to assist producers.

In addition, the Intervention Board has issued instructions to scheme abattoirs to ensure, as far as possible, that priority is given to those producers whose animals were already booked into the scheme, and that the available capacity is otherwise distributed as equitably as possible.

Truro Regional Service Centre Office

Mr. Tyler: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the estimated performance improvements from the closure of the Truro office of the regional service centre. [9663]

Mr. Morley *[holding answer 21 July 1997]:* We expect to deliver high-quality services at a saving of some £100,000 a year to the taxpayer.

BSE

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food which European Union member states currently face infringement proceedings in relation to bovine spongiform encephalopathy; what assessment his Department has made as to the health risks that result from such countries to consumers in the United Kingdom; if his Department has made representations for an export ban on beef products from those countries; and if he will make a statement. [10202]

Mr. Rooker: At the Standing Veterinary Committee on 3 July, the EU Commission's intention to take infraction proceedings against 10 member states for various reasons related to the EU measures in place in relation to BSE, was discussed. Action was to be taken against France, Germany, Portugal, Sweden, Belgium, Luxembourg, the Netherlands, Spain, Finland and Italy.

These measures were to be taken as a result of the report of Commission inspections which were shown by the Spongiform Encephalopathy Advisory Committee at its meeting on 23 May. On the basis of this, SEAC issued advice to Government which was published on 5 June and which resulted in the reply the Minister of Agriculture, Fisheries and Food gave to the House on that day, *Official Report*, columns *227–28*. This reply made it clear that the Government proposed to extend the controls on beef from animals slaughtered in the UK to material once imported into the UK. We are not banning imports as such. The Agriculture Council on 22 to 23 July will be deciding on the introduction of EU-wide controls on cattle, sheep and goat offals.

Fish Stocks

Mr. Jim Murphy: To ask the Minister of Agriculture, Fisheries and Food if he will list by port of registration the number of pressure stock licensed to be sold outside the United Kingdom. [10180]

Mr. Morley: Under the UK's restrictive licensing arrangements for fishing vessels, no new licences are issued. Licences may be transferred from one UK registered fishing vessel to another at the discretion of Ministers. We have no information readily available about the number of such transfers which may take place in the future. However, we estimate that currently there are some 160 UK-registered and licensed fishing vessels which have significant foreign interests in their ownership.

Cod Quotas

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food how much cohesion cod is allotted annually to each European Union state; what criteria determine such allocations; and if he will make a statement. [10211]

Mr. Morley: This quota to fish cod in Norwegian waters north of 62°N, granted to the European Union by Norway as part of the European Economic Area agreement, is allocated to the four cohesion countries on the basis of fixed allocation keys. The shares, and quantities received in 1997 are as follows:

	Per cent.	*Tonnes*
Greece	5	550
Ireland	5	550
Portugal	45	4,950
Spain	45	4,950

Beef Exports

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the risks to health posed by British beef exported in breach of the beef export ban. [10013]

Mr. Rooker: Health and identification marks have been partly or wholly removed from beef which has been seized in another country on suspicion that it has been illegally exported from the UK. Without those marks, it is not possible to confirm either that it met hygiene standards at the time of slaughter or its origin. Standards for the production of beef in the UK are, nevertheless, as high as anywhere in Europe. There are stringent safeguards to ensure that carcases from BSE suspects cannot enter the human food chain and UK controls to prevent specified bovine material from entering the human food chain are the toughest in Europe.

Hormones

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food what assessment his Department has made of the World Trade Organisation hormone panel conclusions; and if he will make a statement. [10203]

Mr. Rooker: The disputes panel has upheld complaints by the US and Canada about the EU's ban on meat from animals treated with growth promoting hormones, finding it to be inconsistent with the World Trade Organisation agreement on sanitary and phytosanitary measures. The reports cannot be adopted by the WTO until the appeals process has been completed; we expect this will not be before the autumn at the earliest.

PRIME MINISTER

Law Agent's Letter

Mr. Dalyell: To ask the Prime Minister what response he has sent to the letter of 14 July of the law agent, George More, of Edinburgh, relating to the suffering of the Libyan people. [9829]

The Prime Minister: As far as I am aware, I have not yet received this letter.

House of Commons (Radio Broadcasts)

Mr. Winnick: To ask the Prime Minister what plans he has to consult leaders of other parties represented in the House over the future radio reporting of the House; and if he will make a statement. [9832]

The Prime Minister *[holding answer 21 July 1997]:* None; in all matters concerning the editorial content and scheduling of programming, responsibility rests with the BBC itself. I am sure, however, that the BBC will take into account the strong views which have been expressed on the matter by Madam Speaker and by hon. Members on both sides of the House.

Offshore Trusts

Mr. Prior: To ask the Prime Minister if he will make it his policy to prohibit the holding of shares in offshore trusts by Ministers. [9786]

The Prime Minister *[holding answer 21 July 1997]:* "Questions of Procedure for Ministers" is currently being reviewed. Until the review is complete, I have asked my ministerial colleagues to abide by the general principles contained in the 1992 version, which has been published.

Honours

Mr. Mitchell: To ask the Prime Minister how many staff are employed in preparation and scrutiny of applications for honours; and what was the annual cost of *(a)* preparation of the honours list and *(b)* the Political honours scrutiny committee, in the latest year for which figures are available. [9412]

The Prime Minister: The ceremonial branch of the Cabinet Office which handles all honours applications and related matters, including public nominations, comprises 18 people and has an annual budget of £368,000. The wider cost of operating the honours system, including estimates of small parts of the work of many people at home and overseas, could not be provided other than at disproportionate cost. Members of the Political Honours Scrutiny Committee receive no remuneration.

Mr. Mitchell: To ask the Prime Minister what plans he has for changes in the procedures for the allocation and scrutiny of honours. [9411]

The Prime Minister: I plan to continue recommending bi-annual honours lists, for which the sole criterion will be quality of service in a wide range of areas of national life. I have asked that those scrutinising nominations should give weight to achievements in areas of service identified by the Government as priorities for improvement.

Mr. Mitchell: To ask the Prime Minister if he will list the names of the members of the Political Honours scrutiny committee and the number of occasions on which it met in each of the last five years. [9413]

The Prime Minister: The members of the political honours scrutiny committee are Lord Pym MC DL, chairman, the Lord Cledwyn of Penhors CH and the Lord Thomson of Monifieth KT. The number of meetings to scrutinise those proposed on account of their political services, including working life peers, were as follows:

1993: 4

1994: 3

1995: 4

1996: 4

1997: 2 (to date)

Lockerbie

Mr. Dalyell: To ask the Prime Minister, pursuant to his oral answer of 16 July, *Official Report*, columns 387–88, in reference to the letter from Alain Dejammet, Stephen Gomersall and Bill Richardson, permanent representatives of France, the United Kingdom and the USA, to the President of the Security Council, what recent review of the evidence relating to the Lockerbie case has been conducted by the UN Security Council. [9830]

The Prime Minister *[holding answer 21 July 1997]:* None. It is not the Security Council's job to do so. The evidence is held by the national investigating and prosecuting authorities and is not in the public domain.

Political Appointments

Mr. Tyrie: To ask the Prime Minister how many political advisers or their political appointees have been appointed since 1 May, who are not paid from public funds; if he will name them and their departments; if each such appointment has been approved by him; by whom they are paid; whether they are in all other respects subject to the same rules of employment as political advisers paid from public funds; and if he will list the precedents for such appointments. [2838]

The Prime Minister *[holding answer 10 June 1997]:* The appointment of unpaid political advisers is subject to the same rules as were followed by the previous Administration. Unpaid advisers are personal appointments by the Minister concerned and carry no remuneration or reimbursement from public funds. They are not civil servants and are not subject to the same rules of employment as special advisers paid for from public

funds. In making an appointment, Ministers and unpaid advisers must ensure that there is no conflict between the issues on which the unpaid adviser will be advising and their private concerns; unpaid advisers are also subject to the normal rules of confidentiality. I am notified before these appointments are made.

In addition to the political office in No. 10 Downing street, the following appointments have been made:

Appointing Minister	*Appointee*	*Individual or organisation paying their salary*
Chancellor of the Exchequer	Sue Nye	Not in receipt of any pay
Deputy Prime Minister	David Taylor	Lancashire Enterprises PLC
Secretary of State for Foreign and Commonwealth Affairs	David Mathieson	Labour Party
Minister without Portfolio	Benjamin Wegg-Prosser	Labour Party
President of the Board of Plc Trade	Lord Hollick	United News and Media
Secretary of State for Social Security	Anna Coote	Institute of Public and Policy Research

There are precedents for appointments on the same basis under previous Administrations.

HEALTH

Child Care

17. **Ms Corston:** To ask the Secretary of State for Health what plans he has to improve the arrangements for the care of pre-school age children. [7960]

Mr. Boateng: My hon. Friends the Under-Secretaries of State for Education and Employment, the Members for Birmingham, Yardley (Ms. Morris) and for Newport, East (Mr. Howarth), met me on 30 June to discuss our plans to create a fully integrated early years service for all pre-school children. I shall ensure that we protect the care needs of very young children and in particular children in need as we develop our plans, but I believe that integrating services as we propose will greatly benefit young children.

Health Inequalities

18. **Mr. Cousins:** To ask the Secretary of State for Health what inequalities in Health and life expectancy exist between different regions in England. [7961]

Ms Jowell: Substantial inequalities in health and life expectancy exist between different regions in England. For example, in the early 1990s, there were regional variations in life expectancy at birth of more than three years for males and two and a half years for females. In 1992 East Anglia had the longest life expectation at 75.4 years for men and 80.3 years for women, while North Western had the worst at 72.3 years for men and 77.6 years for women. Regional variations in certain measures of health are even greater. On the basis of the 1991 census question on limiting long standing illness, it has been estimated that the expected number of years of life in good health varies between the best and the worst region by six and a half years for men and five years for women.

36. **Mr. Coaker:** To ask the Secretary of State for Health if he will make a statement on the relative *(a)* health and *(b)* life expectancy of different ethnic groups in England. [7979]

Ms Jowell: Information on health in certain ethnic groups is available from various surveys and the 1991 census included specific questions on health and ethnicity. A collation of key information, "Ethnicity and Health: a guide for the NHS" was published in 1993 by the Department of Health and a new edition is in preparation.

The fourth national survey of ethnic minorities, which was co-ordinated by the Policy Studies Institute, was the largest study of ethnic minorities ever carried out in Britain. An initial report which included a chapter on health was published earlier this year. More detailed reports on the physical and mental health of ethnic minorities are due out shortly.

Although there are currently no data readily available on life expectancy in different ethnic groups the Acheson inquiry will be looking at inequalities in health, including those related to ethnicity, since this is a topic of considerable importance. Furthermore, detailed studies of mortality by country of birth have been performed which indicate marked differences from the national average in specific sub groups. For example, there are high rates of stroke mortality in people under 65 years among those born on the Indian subcontinent and in the Caribbean and African Commonwealth.

Abortion

19. **Mr. Dalyell:** To ask the Secretary of State for Health if he will make a statement on his attendance at the Devolution, Scotland, Wales and Regions Cabinet Committee, with particular reference to discussions relating to abortion. [7962]

Ms Jowell: The Government's forthcoming White Paper will set out our proposals on all aspects of devolution, including abortion.

NHS Appointments

20. **Mr. Baker:** To ask the Secretary of State for Health what criteria he will be using to decide whom to appoint to the boards of NHS trusts. [7963]

Mr. Milburn: The Department has recently issued revised guidelines on the qualities we will be looking for in non-executive directors of NHS trusts. The guidelines are designed to make boards much more representative of the communities they serve; to encourage more NHS users and carers to become members of boards; and to ensure that all candidates are personally committed to the national health service.

Public Health Strategies

21. **Ms Blears:** To ask the Secretary of State for Health what action he is taking to address the problems of want, idleness, squalor, ignorance and disease. [7964]

Ms Jowell: I addressed Beveridge's five giants in my speech on our new health strategy on 7 July, a copy of which is available in the Library. Our new health strategy will be wider and focus on determinants in health. Want will be tackled through the minimum wage. Idleness through the Welfare to work programme. Squalor through improved housing through the phased release of council house sale receipts; and through policies to improve the environment. Ignorance through education, by encouraging schools to promote health and well-being. Disease through rescuing the NHS banning tobacco advertising, establishing the food standards agency and a £1,000,000 programme of research into the effects of air pollutants commonly found in the home. This will complement research on outdoor pollutants which is already under way.

28. **Mr. Prosser:** To ask the Secretary of State for Health what action he is taking to ensure that the Government's public health strategy for England will address the issues of social exclusion. [7971]

Ms Jowell: As announced in my speech on 7 July, improving the health of our nation and tackling the legacy of inequality are matters not just for the Department of Health but are jobs to be confronted across Government. We aim to tackle poverty and inequality through our commitment to helping people move from welfare to work, to ending poverty pay by introducing a national minimum wage, and to improve housing conditions by the phased release of local authority capital receipts.

Of all the important aspects of public health, none exacts a heavier toll in terms of disease and death than smoking. And smoking is a clear proxy for inequalities. There are more poor smokers, and as a result, poor people suffer disproportionately from preventable illness and premature death. That is why the Government have given an undertaking to ban tobacco advertising and promotion, and why we are determined to tackle smoking with the seriousness it deserves. On 14 July, we held an international anti-smoking summit to galvanise concerted action across society, and to learn from the experience of experts from around the world on how best to proceed. We will use the knowledge gained at the summit to inform the development of a White Paper which will be published later this year. The White Paper will set out in full our plans for measures to curb smoking, including our proposals for legislation to ban tobacco advertising.

Private Medical Insurance

22. **Mr. Willetts:** To ask the Secretary of State for Health how many retired people he expects to relinquish private health cover as a consequence of the loss of tax relief. [7965]

Mr. Milburn: Few.

30. **Mr. Spring:** To ask the Secretary of State for Health what assessment he has made of the impact of the abolition of tax relief on private medical insurance for the over–60s on the NHS; and if he will make a statement. [7973]

Mr. Milburn: Any impact on the national health service will be dwarfed by the additional resources of £1.2 billion recently announced by the Chancellor.

Management and Office Costs

25. **Mr. Ian Bruce:** To ask the Secretary of State for Health how many health authorities have achieved the previous Government's targets for reduction in management costs; and what assessment he has made of how soon health authorities will implement the £120 million of further cuts required in management and office costs. [7968]

Mr. Milburn: Final accounts figures for health authority costs and trust management costs in 1996–97 are expected to be available towards the end of the year.

On 22 May, we announced that national health service management costs would be reduced by £100 million in 1997–98.

Health Service Review

27. **Mr. Jim Cunningham:** To ask the Secretary of State for Health (1) when he intends to publish a White paper on the future of the NHS; [7970]

29. **Mr. Skinner:** To ask the Secretary of State for Health when he now expects the review of the NHS to be completed; and if he will make a statement. [7972]

Mr. Milburn: We intend to publish a White Paper on the national health service this autumn which will set out the Government's plans to replace the NHS internal market.

Accident and Emergency Facilities (Solihull)

26. **Mr. John M. Taylor:** To ask the Secretary of State for Health what is his policy towards the undertakings provided by the former Minister for Health on 20 March 1996 regarding services at Solihull hospital, with particular reference to 24 hour accident and emergency facilities; and if he will make a statement. [7969]

Mr. Milburn: The future of Solihull hospital within the Birmingham Heartlands NHS trust is secure. We will look to the trust to continue to provide high quality health services for the people of Solihull.

NHS Trusts

31. **Mr. Nicholas Winterton:** To ask the Secretary of State for Health if he will make a statement on the role and responsibilities of NHS trusts and their non-executive directors. [7974]

Mr. Milburn: National Health Service trusts exist to provide a range of vital health services to the communities they serve. Non-executive directors are appointed to guide the work of the trust and to take decisions about policy and strategic direction to ensure the efficient and effective delivery of services.

Operations

32. **Dr. Tony Wright:** To ask the Secretary of State for Health what assessment he has made of whether operations are being performed by appropriately qualified and supervised doctors. [7975]

Mr. Milburn: We do not collect details about the medical staff who carry out operations. Hospital consultants are responsible for supervising the work of doctors in training. All doctors have a professional responsibility to ensure that they only undertake operations within their clinical competence.

Waiting Lists

33. **Ms Beverley Hughes:** To ask the Secretary of State for Health if he will make a statement about hospital waiting lists in *(a)* Stretford and Urmston and *(b)* Greater Manchester. [7976]

Mr. Milburn: Information about numbers of patients waiting for admission to national health service trusts in England is published quarterly in "Hospital Waiting List Statistics: England", copies of which are available in the Library. The latest information available gives the position on 31 March 1997. This shows that the numbers of patients waiting for admission on either an in-patient or day case basis to the two major trusts in Stretford and Urmston have increased by 20 per cent. since 31 March 1996. In Greater Manchester the numbers waiting have increased at nine of the 12 major trusts serving the area, by 10 per cent. overall. The latter is in line with the increase nationally over the period.

Nutrition

34. **Mr. Martyn Jones:** To ask the Secretary of State for Health what plans his Department has to promote a greater awareness of nutrition in relation to the causes of ill health; and if he will make a statement. [7977]

Ms Jowell: Research by the Health Education Authority shows that most people in all social classes now know the key messages of healthy eating.

The Department will continue to secure and publish expert independent advice from the Committee on Medical Aspects of Food and Nutrition Policy; to work with the Health Education Authority and the Ministry of Agriculture, Fisheries and Food in developing and publishing materials for health professionals and the general public on healthy eating throughout the age range; and to continue work to ensure that nutrition features in the training of health professionals and teachers.

On 7 July I announced the Department's plans to publish a Green Paper in the autumn on a strategy for health which will be subject to wide consultation.

Primary Care Commissioning

35. **Dr. Lynne Jones:** To ask the Secretary of State for Health when primary care commissioning pilots will commence. [7978]

Mr. Milburn: A programme of primary care-led commissioning pilots was announced on 26 June. Applications to take part in the programme should be made by 31 August and the final selection will be made by 30 September. Following a preparatory period, the evaluation will start on 1 April 1998.

Insulin Pens

37. **Mr. Pickthall:** To ask the Secretary of State for Health if it is his Department's intention to put insulin pen needles on prescription. [7980]

Mr. Milburn: I refer my hon. Friend to the reply that I gave to my hon. Friend the Member for Greenock and Inverclyde (Mr. Godman) on 17 June, *Official Report* at column *102*.

Health Service Funding

38. **Mr. Chidgey:** To ask the Secretary of State for Health what arrangements he has made to ensure that services are not affected in the present financial year by the deficits in health authority and health trust budgets. [7981]

Mr. Milburn: We are under no illusions about the legacy we inherited. We know that the national health service is under considerable pressure this year. The first duty of the NHS is to respond to those in greatest need, ensuring capacity to respond to emergencies. This it must do. We are also actively taking steps to ensure full co-operation between local social services and the health service to help cope with winter pressures.

Efficiency Savings (Lichfield)

Mr. Fabricant: To ask the Secretary of State for Health what plans he has to visit the Premier Health NHS trust headquarters in Lichfield to discuss efficiency savings in the national health service. [7967]

Mr. Milburn: We have no plans to visit the Premier Health National Health Service Trust, but are aware of the trust's improving efficiency and its streamlined management structure. The Government welcome this, given our firm commitment to reducing bureaucracy in the NHS.

NHS Sale and Lease Arrangements

Mr. Jack: To ask the Secretary of State for Health if he will make a statement on the applicability of sale and lease arrangements to the NHS. [6790]

Mr. Milburn: Sale and leaseback may be appropriate where value for money to the national health service can be clearly demonstrated. However, the consequences of any such arrangements need to be carefully considered to ensure they are to the long term benefit of the NHS.

Private Finance Initiative (Hospital Projects)

Mr. Jack: To ask the Secretary of State for Health if he will consider hospital PFI proposals which include the provision by the contracting body of any form of clinical support services. [7418]

Mr. Milburn: I refer the right hon. Member to the reply that I gave him on 10 July 1997, *Offical Report,* at column *578*.

Private finance initiative schemes which come forward for approval before the announcement at the end of the year will not be approved if they include services which Ministers consider, in the interests of the national health service, to be inappropriate.

Immunisation Campaigns

Mr. Barron: To ask the Secretary of State for Health how much has been spent by his Department on mumps, measles and rubella vaccination campaigns for each of the last five years for which figures are available; and what is the amount of expenditure planned for *(a)* 1997; *(b)* 1998 and *(c)* 1999. [7838]

Ms Jowell: It is not possible to identify expenditure on measles, mumps and rubella immunisation separately within the childhood immunisation programme.

Immunisation expenditure is made up of three components: the cost of buying the vaccines; the cost of giving the vaccines; and the cost of the accompanying information materials. Only vaccine purchase expenditure can be identified for each vaccine, and is shown in the table.

Expenditure on giving measles, mumps and rubella immunisations cannot be separately identified since general practitioners receive a target payment for immunisation based on the percentage of children on their list who are immunised against diphtheria, tetanus, pertussis, polio, haemophilus influenzae type B, and measles, mumps and rubella. Similarly information expenditure, through the Health Education Authority and the Department of Health's own immunisation materials for parents, covers the whole immunisation programme: as such it is not possible to identify expenditure which might be attributable to measles, mumps and rubella immunisation.

The cost of purchasing measles, mumps and rubella vaccines in each of the last five financial years is in the table:

1992–93: £4.3 million

1993–94: £5.3 million

1994–95: £16.8 million

1995–96: £6.8 million

1996–97: £9.7 million

The figures include:

(i) all years: a single dose of measles, mumps and rubella—(MMR)—vaccine offered to all children at age 12 to 15 months;

(ii) all years: rubella vaccine offered to sero-negative women;

(iii) 1994–95: measles and rubella vaccine offered to all children aged between 5 and 16 during a nationwide campaign to avert a predicted epidemic;

(iv) until October 1996: rubella immunisation offered to all girls at age 10-14;

(v) from October 1996: a second dose of MMR vaccine offered to all children at the time they receive their pre-school immunisations.

(vi) a catch-up second dose MMR programme also initiated from October 1996. Full details are in EL(96)61, copies of which are available in the Library.

The estimated cost of measles, mumps and rubella vaccines purchased over the next three years is:

1997–98: £7.9 million

1998–99: £7.9 million

1999–2000: £7.8 million

Note: includes the forecast of two doses of MMR vaccine offered to all children before school entry; and rubella vaccine offered to sero-negative women.

Care Homes (Wiltshire)

Mr. Gray: To ask the Secretary of State for Health what consultation Wiltshire social services undertakes with a referred patient before placing that patient in *(a)* a local authority home and *(b)* a private sector home. [8424]

Mr. Boateng: Wiltshire social services department has informed the Department of Health that it will first assess the needs of the person. If it decides that the person requires to be placed in a residential home, it encourages the person to consider at least three homes, two of which it would expect to be within the independent sector.

Mr. Gray: To ask the Secretary of State for Health how many formal notifications were made to Wiltshire's director of social services and chief executive in the last five years as a result of requirements set at inspections of care homes which have not been complied with against specified time scales. [8414]

Mr. Boateng: The Department does not specifically collect this information. However, registration authorities should return to the Department details of those home owners whose registration they refuse or cancel. This is compiled on the national list of refused and cancelled registrations which is then circulated to all local authorities in England. For Wiltshire in this period we have been notified of only one cancellation. In addition, for this period, the registration of one further home owner in Wiltshire was cancelled following appeal to the registered homes tribunal.

Mr. Gray: To ask the Secretary of State for Health how much he estimates could be saved if Wiltshire county council moved its residential homes into private sector management. [8415]

Mr. Boateng: We have not made such an estimate because centrally available information does not include sufficient detail. In particular, the routine statistics do not distinguish the expenditure on placements in private care homes from those in the voluntary sector.

It is for each local authority to decide how best to arrange their community care services to meet the needs of their population. We have made it clear that it is not important whether services are provided by the public, private or voluntary sector. What is important, and what the Government are committed to, is that people will receive services which are of high quality, are responsive to their needs and wishes, and which deliver value for money.

Mr. Gray: To ask the Secretary of State for Health how many *(a)* local authority and *(b)* private sector homes have block bookings by Wiltshire social services. [8417]

Mr. Boateng: Wiltshire social services has informed the Department that it gives its in-house residential homes an annual budget. The majority of the places that it purchases from the independent sector are "spot purchased".

Mr. Gray: To ask the Secretary of State for Health how many *(a)* county council run and *(b)* private sector care homes have (i) opened and *(b)* closed in Wiltshire in each of the last five years. [8419]

Mr. Boateng: Information on the number of residential care homes opened and closed in the former county of Wiltshire in the years 1993–94 to 1995–96, together with

the total number of residential care homes at 31 March 1996, is given in the following table. Reliable information is not available for earlier years. Comparable information is not available centrally for nursing care homes.

Residential care homes in Wiltshire, 1993–94 to 1995–96 [1]

	1993–94	*1994–95*	*1995–96*
Local authority homes:			
opened in year	2	0	0
closed in year	2	1	0
number open at end of year	33	32	32
Private sector:			
opened in year	10	6	1
closed in year	6	5	5
number open at end of year	121	122	118
Voluntary sector homes:			
opened in year	5	6	5
closed in year	2	1	0
number open at end of year	56	61	66

Source:
Department of Health Annual Statistical return (RAC5).
Note:
1 April to 31 March of the following year in each case.

Mr. Gray: To ask the Secretary of State for Health what projections his Department has evaluated of the number of council-run care places and private sector care places which will be needed in the future in Wiltshire. [8422]

Mr. Boateng: The Department has not made any such evaluation. It is for each local authority to plan its community care services to meet the needs of its population.

Mr. Gray: To ask the Secretary of State for Health if he will list the names by sector of the nursing home and residential care providers used by Wiltshire health authority indicating the percentage of clients funded by Wiltshire social services at each and the average weekly cost to Wiltshire county council per resident at each home. [8426]

Mr. Boateng: At 31 March 1996, there were 32 local authority care homes, 66 voluntary sector residential care homes and 118 private sector residential care homes in former county of Wiltshire. In addition there were a further 85 private nursing homes within the Wiltshire and Bath health authority area at the same date. A list of the names of all these homes has been placed in the Library.

Information is not collected centrally on the numbers of residents in each home who are supported financially by the local authority nor on expenditure related to such placements, so costs cannot be calculated at the level of individual homes. Such expenditure information as has been provided in respect of the former Wiltshire is of total, rather than the usual gross, expenditure by sector. Weekly costs based on this measure of expenditure could not take account of income received from other local authorities in respect of residential provision in Wiltshire of clients normally resident outside the county boundary and would not be comparable with weekly costs produced for other local authorities.

Information on the numbers of residents financially supported by Wiltshire social services at 31 March 1996 in homes within Wiltshire, by sector, is shown in the table.

Residents financially supported by Wiltshire social services, 31 March 1996

	Local authority	*Voluntary sector residential care*	*Private sector residential care*	*Private nursing care*
Number of financially supported residents supported in homes in Wiltshire	963	78	681	611
Percentage of all residents in homes in Wiltshire	91	13	35	27
Number of financially supported residents supported in homes outside Wiltshire	—	16	94	120

Source:
Department of Health Annual Statistical returns (RAC5, SR1).

Mr. Gray: To ask the Secretary of State for Health how many nursing home patients have been placed in council-run residential homes in Wiltshire in the last five years. [8423]

Mr. Boateng: Local authorities are required to provide services which meet the assessed needs of the individual. If a person has been assessed as needing care in a nursing home the local authority cannot place them in a residential home.

Mr. Gray: To ask the Secretary of State for Health how much Wiltshire social services has spent on places in *(a)* council and *(b)* private care homes in each year since 1991. [8425]

Mr. Boateng: Routine financial statistics returned by the former Wiltshire county council have wrongly included expenditure on independent sector provision along with that on local authority homes and therefore do not provide the information requested. The following breakdown of the statistics has been obtained specially from the authority but the figures are of total expenditure rather than the usual gross expenditure and so take no account of any income received by the authority from other local authorities in respect of residential provision in Wiltshire of clients normally resident outside the county boundary.

Total expenditure on residential provision for adults (excluding nursing provision), Wiltshire, 1993–94 to 1995–96

£ million

Sector of home	*1993–94*	*1994–95*	*1995–96*
(a) Local authority	17	16	16
(b) Independent sector	5	15	20
(c) Total	22	31	35

Comparable figures for earlier years are not available from the authority.

Mr. Gray: To ask the Secretary of State for Health how much he estimates needs to be spent on Wiltshire county council care homes to bring them up to *(a)* 1984 Government minimum standard and *(b)* 1997 Government standards. [8413]

Mr. Boateng: The information needed to make such an estimate is not available centrally. The Government have made no changes to the Registered Homes Act 1984 and associated regulations which sets out the requirements which care homes must meet to obtain and retain registration under the Act.

Mr. Gray: To ask the Secretary of State for Health what is the patient/staff ratio in *(a)* local authority and *(b)* private nursing and residential homes in Wiltshire. [8420]

Mr. Boateng: Latest centrally available information for 1995–96 shows that the ratio of residents to directly employed staff in local authority residential homes for adults in the former county of Wiltshire was 1.36 to 1 and the ratio of residents to nursing staff in private nursing homes in the Wiltshire and Bath health authority area was 1.08 to 1. Staffing information is not collected centrally in respect of private residential homes.

Mr. Gray: To ask the Secretary of State for Health what assessment his Department has made of the Pannell Kerr Forster review of services for the elderly commissioned by Wiltshire county council. [8416]

Mr. Boateng: The Department has not assessed the Pannell Kerr Forster Review of Services report. This review was commissioned by Wiltshire county council, and it is for them to consider its findings.

Mr. Gray: To ask the Secretary of State for Health what is the present number of vacancies in *(a)* council-run and *(b)* private nursing and residential homes in Wiltshire. [8418]

Mr. Boateng: Information on the number of vacancies in residential and nursing care homes in the former county of Wiltshire as at 31 March 1996, the latest date for which information is available centrally, is given in the table.

Vacancies in care homes in Wiltshire at 31 March 1996

Sector and type of care home	*Number of vacancies*	*As percentage of total places*
Local authority care homes	114	9.7
Private residential care homes	449	18.6
Voluntary residential care homes	79	11.3
Private nursing homes[1]	454	16.7

Source:
Department of Health annual statistical returns (RAC5 and K036)
Note:
[1] Private and voluntary nursing homes registered with Wiltshire and Bath health authority.

Mr. Gray: To ask the Secretary of State for Health what is the *(a)* average and *(b)* the longest stay in hospital of a patient awaiting placement in long-term care by Wiltshire social services. [8421]

Mr. Boateng: The Department does not have this information. Wiltshire has informed the Department that their policy on this issue is that they aim to place people in a care home as soon as possible after the assessment has taken place, and the person has decided on a care home of his/her choice.

Missed Appointments

Mr. Martyn Jones: To ask the Secretary of State for Health what cost is incurred by the NHS through the failure of patients to turn up for scheduled operations; how this figure is calculated; and if he will make a statement. [8740]

Mr. Milburn: Information is not available on the costs incurred by the national health service for patients who miss their operations. Hospitals may be able to redirect resources, for example for the treatment of emergency cases that need to be fitted in during the day. In 1996–97 223,000 patients failed to turn-up for in-patient treatment. The average cost for a finished consultant episode in 1995–96—the latest figure available—was £1,103.

Aricept

Mr. Etherington: To ask the Secretary of State for Health (1) what guidance his Department has issued regarding protocols for the use of the drug Aricept; [8782]

(2) if he will list the health authorities in England and Wales which have agreed to fund the use of Aricept by *(a)* general practitioners and *(b)* hospital consultants; [8783]

(3) if he will list the hospitals in England and Wales whose hospital formulary includes Aricept. [8781]

Mr. Milburn: Guidance has been prepared by the Royal College of Psychiatrists and endorsed by the standing medical advisory committee. We are currently considering whether to issue management guidance to the NHS, together with the clinical guidance on the prescribing of Aricept. Many health authorities and hospitals are still in the process of determining their local policy on the use of this drug.

Asthma

Sir Peter Emery: To ask the Secretary of State for Health (1) what was the NHS expenditure on the treatment of asthma in the latest year for which figures are available; and what proportion of the total NHS budget this represents; [8863]

(2) what was the cost to the NHS of providing acute care to adults suffering from occupational asthma attacks in the last five financial years; [8859]

(3) what was the cost to the NHS of treating adult occupational asthma sufferers, in each year since 1989–90; [8864]

(4) if he will list NHS expenditure on treatment for asthma broken down by sub-head in the latest year for which information is available; and what proportion of this expenditure was spent on prescriptions. [8862]

Mr. Boateng: The bulk of the costs of asthma to the national health service is attributable to prescriptions. Information on the cost of other NHS services is for individual conditions and is only available locally. However, the Department of Health's "Burdens of Disease" analysis estimated that the cost of services for asthma was £150 million in 1993. On this basis, asthma

accounted for under 2 per cent. of NHS net expenditure—including drugs—in 1992–93. The net ingredient cost of national health service prescriptions for asthma medication in 1996 was £438 million, which is 11 per cent. of the total net ingredient cost of prescriptions in that year. It is not possible to separate out the costs to the NHS of occupational asthma.

Sir Peter Emery: To ask the Secretary of State for Health (1) what was the net ingredient cost for preparations used in treatment of asthma *(a)* in total and *(b)* per health authority, in each of the last four years; [8861]

(2) how many prescriptions for the treatment of asthma *(a)* in total and *(b)* per health authority were issued in each of the last four years; [8860]

(3) what was the expenditure on general practitioner-prescribed anti-asthma medication and preparations in each health authority broken down by *(a)* net ingredient costs and *(b)* net ingredient costs per capita in England. [8856]

Mr. Milburn: The available information has been placed in the Library. Information on the use of specific drugs in hospitals is not available.

Hospital Waste

Mr. Martyn Jones: To ask the Secretary of State for Health what plans his Department has to encourage hospitals to adopt sustainable waste policies; and if he will make a statement. [8737]

Mr. Milburn: Waste strategy in hospitals should reflect the policies of "Making Waste Work—a strategy for sustainable waste management in England and Wales" published by the Department of the Environment in December 1995. However, in view of the inherent nature of health care provision, the reuse and recycling elements of the waste hierarchy have to be considered particularly carefully to avoid any risk of cross-infection. National Health Service Estates, an executive agency of the Department of Health, is preparing health technical memorandum 2065 "Waste Guidance", due for publication in September, dealing with the minimisation and segregation of clinical waste.

Civil Servants

Mr. Vaz: To ask the Secretary of State for Health how many civil servants there are on each pay band in his Department. [8954]

Ms Jowell: The information requested is shown in the table:

Pay band	*Total*
Permanent secretary	3
Senior civil service pay band 8	7
SCSPB7	7
SCSPB6	3
SCSPB5	1
SCSPB4	36
SCSPB3	17
SCSPB2	24
SCSPB1	264
Integrated pay band 4	772
IP3	1,144
Fast stream	45
IP2	966
IP1	1,423
Total	4,712

1. There are also some 150 staff who have not yet been assimilated into the new pay band structure.
2. These above figures are a head count and exclude casual staff, and staff out on loan, secondment, or special leave without pay.

July 1997.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Health how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8952]

Ms Jowell: Of 47 staff working in the private office, five or 11 per cent. are of ethnic minority origin and there are three or 6 per cent. whose ethnic origin is not known. To protect the confidentiality of staff, we cannot provide a further breakdown.

Accident and Emergency Departments (North Thames Region)

Mr. McDonnell: To ask the Secretary of State for Health if he will make a statement on the average waiting times at accident and emergency departments for patient requiring admission at *(a)* Hillingdon, *(b)* Ealing, *(c)* Northwich Park and *(d)* West Middlesex hospitals. [9174]

Mr. Milburn: The Department collects information by health authority which shows the percentage of patients requiring hospital admission through accident and emergency who were admitted within two hours. This information for the quarter ending 31 March 1997 for health authorities in north-west London is set out in the following table:

Health authority	*Patients admitted within 2 hours Percentage*
Brent and Harrow HA[1]	84
Ealing, Hammersmith and Houslow HA[2]	50
Hillingdon HA[3]	84

[1] Covers Northwick Park and St. Mark's NHS trust.
[2] Covers Ealing Hospital NHS trust and West Middlesex University Hospital NHS Trust.
[3] Covers Hillingdon Hospital NHS trust.

Action is being taken within the NHS to ensure that the needs of the emergency patient are met as effectively as possible.

Hospital Admissions (North Thames Region)

Mr. McDonnell: To ask the Secretary of State for Health how many people aged over 60 years have been admitted to hospital for one or more nights in each of the last three years at *(a)* Hillingdon, *(b)* Mount Vernon, *(c)* West Middlesex, *(d)* Ealing and *(e)* Northwick Park hospitals. [9183]

Mr. Boateng: Because of the changes and amalgamations that have taken place in the trust during the period concerned, the information given is the best estimate the national health service executive has available. The most recent information held is as follows:

	1992–93	*1993–94*	*1994–95*
Hillingdon Hospital NHS trust	6,073	6,496	5,906
Mount Vernon and Watford Hospital NHS trust	6,352	5,963	12,632
West Middlesex University Hospital NHS trust	6,420	5,897	6,087
Ealing Hospital NHS trust	5,224	5,318	5,648
Northwick Park and St. Mark's NHS trust	6,370	5,875	6,368

The incorporation of Watford Trust into the Mount Vernon NHS Trust from 1994–95 explains the marked increase in cases recorded for the 1994–95 year.

School Nurses (North Thames Region)

Mr. McDonnell: To ask the Secretary of State for Health if he will list the number of school nurses employed by each community health trust within .the *(a)* Hillingdon, *(b)* Brent and Harrow, *(c)* Ealing, *(d)* Hammersmith and *(e)* Hounslow health authorities. [9175]

Mr. Milburn: Up to date information is not available centrally because from 1994 the Department of Health's non-medical work force census ceased to distinguish school nurses from other qualified nurses working in community services, excluding health visitors and district nurses. My hon. Friend may wish to contact the chairman of the individual health authorities for the information.

Alzheimer's Disease

Mr. Mitchell: To ask the Secretary of State for Health what code of practice and treatment recommendations are issued by his Department for the treatment of sufferers from Alzheimer's disease. [9493]

Mr. Boateng: Decisions about the treatment of Alzheimer's disease are a matter for the judgment of the medical practitioners in consultation with other members of the multi-disciplinary team.

Nye Bevan Anniversary

Mr. McDonnell: To ask the Secretary of State for Health what plans he has to mark the 100th anniversary of the birth of Nye Bevan. [9182]

Mr. Milburn: Although there are no national plans to mark the centenary of Nye Bevan's birth, there will be events and initiatives throughout the country during 1998 to mark the 50th anniversary of the founding of the national health service—Nye Bevan's greatest achievement.

Employment Advertisements

Ms Perham: To ask the Secretary of State for Health how often since 1992 his Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9503]

Ms Jowell: Information on the wording of all advertisements since 1992 is not available except at disproportionate cost, but it is not normal practice to have age restrictions for posts in the Department of Health.

Dentists' Pay

Mr. Luff: To ask the Secretary of State for Health what are the levels of pay for salaried dentists working in the national health service; what other benefits are available to such dentists; and if he will make a statement. [9192]

Mr. Milburn: The salary scale for salaried dentists currently ranges from £21,360 to £31,080. Benefits available to salaried dentists are removal expenses, the same sick leave entitlements as community dental staff, paid annual leave discretionary additional leave to enable them to attend appropriate postgraduate refresher courses, and eligibility for the national health service superannuation scheme.

Recovered Memory Therapy

Mrs. Ballard: To ask the Secretary of State for Health what representations he has made to the Royal College of Psychiatrists on the Brandon report on recovered memory therapy. [9867]

Mr. Boateng: We understand that the Brandon report has not yet been published and look forward to reading it in due course.

Prescription Fraud

Mr. Jenkins: To ask the Secretary of State for Health what estimate he has made of the annual cost of prescription fraud in *(a)* Tamworth, *(b)* Staffordshire and *(c)* the west midlands. [9777]

Mr. Milburn: The report of the efficiency scrutiny into prescription fraud, published last month, estimated levels of prescription fraud in England and Wales as £85 million–£115 million per year. Based on the six-monthly exemption checking exercise carried out by family health services authorities, it is estimated that in 1995–96 the loss of revenue from patient charge evasion was about £0.4 million in Staffordshire family health services authority and about £5 million in West Midlands regional health authority. The total loss of revenue from patient charge evasion for that year, calculated on a different basis to that used by the efficiency scrutiny, was an estimated £34.5 million. It is not possible to estimate the loss in Tamworth alone.

Medicines Control Agency

Mr. Gapes: To ask the Secretary of State for Health if he will publish the revised framework document for the Medicines Control Agency. [10346]

Mr. Milburn: We have today published the revised Medicines Control Agency framework documents and copies have been placed in the Library.

NHS Pensions Agency

Mr. Pickthall: To ask the Secretary of State for Health if he will publish the annual report and accounts of the NHS Pensions Agency. [10347]

Mr. Milburn: We have approved the report and accounts which have today been laid before both Houses of Parliament in accordance with the requirements of section 5(2) and 5(3) of the Exchequer and Audit Departments Acts 1921. Copies have also been placed in the Library.

Palliative Care

Mr. David Taylor: To ask the Secretary of State for Health what measures he is taking to increase access to palliative care; [7902]

Mr. Brady: To ask the Secretary of State for Health if he will make a statement on the Government's policy on the development of palliative care. [8179]

Ms Jowell: The Government are aware of the valuable work of hospices and specialist palliative care units in this country. The development of palliative care has done much to change our attitude to death and the process of dying, demonstrating the positive aspects of good management of the patient up to the point of death. With appropriate palliative care, pain and other distressing symptoms can be greatly reduced and people helped to cope. We are committed to expanding palliative care for the dying in all settings. It is our policy that specialist palliative care should be available to all those in need of it, wherever they may live, as is recognised in the report "A Policy Framework for commissioning cancer services"—the "Calman/Hine" report—and the associated guidance in Executive Letter EL(96)85 "A Policy Framework for Commissioning Cancer Services: Palliative Care Services". Copies of both these documents are available in the Library. We look to all health authorities to ensure that they have a strategy in place to achieve this and we are encouraging increasing provision throughout the national health service.

Mr. Brady: To ask the Secretary of State for Health if he will ensure that the Government's review of the NHS takes full account of the relationship between the NHS and the independent hospice movement; and if he will make a statement. [8181]

Mr. Milburn: The comprehensive spending review will review all aspects of Government spending in the context of the Government's election manifesto commitment:

"if you are ill or injured there will be a National Health Service there to help; and access to it will be based on need and need alone—and not on your ability to pay, or on who your general practitioner happens to be or where you live".

We welcome any contributions from interested parties such as the independent hospice movement.

Oral Contraceptives

Dr. Tonge: To ask the Secretary of State for Health what representations he has received alleging that prescription charges for oral contraception would be discriminatory. [8354]

Mr. Milburn: None.

Dr. Tonge: To ask the Secretary of State for Health what plans he has to introduce prescription charges for oral contraceptives. [8355]

Mr. Milburn: We shall be examining prescription charges as part of the Government's comprehensive spending review. The Government remain committed to the historic principle of the national health service that health services will be available to all and access will be based on need, not on ability to pay.

Foster Care

Mr. Dawson: To ask the Secretary of State for Health if he will review foster care, with special reference to the views of young people in care and foster carers. [8484]

Mr. Boateng: There have been a number of departmental initiatives to review the foster care service. The Social Services Inspectorate recently carried out a national inspection to review foster care services. This included interviewing children in foster care and their carers. Their report, "Inspection of Local Authority Fostering 1995–96, National Summary Report", was published in December 1996. In addition, the Department has funded three other research reports. They were: a study undertaken by the National Foster Care Association into "The Organisation of Fostering Services," published in March 1997; "Foster Care, A Research Review", published in March 1997; and "Private Fostering: Development of Policy and Practice", published in March 1997 by the Save the Children Fund. Copies of all these reports were placed in the Library.

The review of safeguards for children living away from home, currently being conducted by Sir William Utting, has also looked at children in foster care. Consultation with young people formed part of the review process.

In 1995, the Department launched the "Looking After Children: Good Parenting, Good Outcomes" materials. They provide the opportunity to engage children, wherever they are placed, in their own care plans and encourage communications between all those involved in the care of the child. In the light of this, we do not consider a further review is necessary.

Embryos

Miss Widdecombe: To ask the Secretary of State for Health how many frozen embryos have been destroyed to date *(a)* under the provisions of the Human Embryology and Fertilisation Act 1990 and *(b)* under other authority. [9705]

Ms Jowell: The figures requested are not routinely collected.

The Human Fertilisation and Embryology Act 1990 regulates, among other things, the storage of embryos. The Act requires embryos to be removed from storage and allowed to perish if the consent of the patients whose eggs and sperm created the embryos is withdrawn, or if the period of storage permitted under the Act comes to an end. For embryos stored on or before 1 August 1991, when the Act came into force, the maximum period for storage was five years, that is, until 31 July 1996.

Regulations came into effect on 1 May 1996 which extended the maximum storage period for embryos from five to 10 years, or longer in particular circumstances, if certain conditions were met. Effective consent under the Act for the extended storage period must be obtained in all cases.

Embryos stored on or before 31 July 1991 for which the required consent for extended storage was not given had, under the terms of the 1990 Act, to be allowed to perish on 1 August 1996. Information provided by licensed clinics to the Human Fertilisation and Embryology Authority shows that 4,402 embryos were removed from storage on or about that date.

Licensed Drugs

Mr. Laurence Robertson: To ask the Secretary of State for Health if he will make a statement about the differences between health authorities regarding funding for the prescribing of certain licensed drugs; to what extent health authorities are free to refuse to prescribe certain drugs on the grounds of cost; and if he will review the disparities. [10106]

Mr. Milburn: Purchasers are responsible for funding those services which are clinically effective and meet the needs of local people in the light of the resources available.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Health if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10186]

Ms Jowell: The Department of Health has set up the following reviews:

A review of the law relating to surrogacy, which is expected to report at the end of this year or at the start of next.

A review of the evidence relating to possible health risks associated with silicone breast implants, which is expected to report to the chief medical officer in late 1997.

A review of the breast cancer screening service in Devon and its implications for the breast cancer screening programme as a whole, which is expected to report in the next few weeks.

The independent advisory panel for the review of London's health services, the main elements of whose work are due to be completed by October 1997.

A review by Sir Donald Acheson into inequalities of health and life expectancy, which is expected to report during 1998.

An independent review of some key lessons to be drawn from experience of the "Health of the Nation", which is expected to report in the second quarter of 1998.

Health Promotion in Schools

Dr. Ladyman: To ask the Secretary of State for Health what improvements he proposes to promote good health in schools. [7956]

Ms Jowell: I refer my hon. Friend to the oral answer that my right hon. Friend the Secretary of State gave to my hon. Friend the Member for Warrington, South (Ms Southworth) earlier today.

Cross-departmental Co-operation

Mr. Gerrard: To ask the Secretary of State for Health what action he is taking to promote cross-departmental co-operation in the development of the Government's public health strategy. [7950]

Ms Jowell: There is a commitment across Government to improve the overall health of the nation and to share responsibility for the new health strategy for England. We have set up a Cabinet Sub-committee to oversee the new strategy which is chaired by my right hon. Friend the President of the Council and will be attended by Ministers from 13 Government Departments, including myself and my right hon. Friend the Secretary of State. I shall also be meeting a range of ministerial colleagues from other Departments as we develop "Our Healthier Nation".

SOCIAL SECURITY

Mortgage Benefit

Mr. Pond: To ask the Secretary of State for Social Security what estimate she has made of the cost of introducing a mortgage benefit equivalent to housing benefit for low income owner occupiers in work. [5442]

Mr. Keith Bradley: Our objective is to reduce poverty and welfare dependency and to promote work incentives. We will develop a system that supports work, savings and honesty, whilst keeping to our commitment to work within announced spending totals for the first two years of the Government.

Various forms of mortgage benefit for low-income owner-occupiers in employment have been suggested. The cost could be up to £1 billion per year, if the benefit was fully taken up.

Pensions Review

Ms Walley: To ask the Secretary of State for Social Security what timetable has been set for her Department's review of pensions; what areas will be covered in this review; and if she will make a statement. [6846]

Mr. Denham: I refer my hon. Friend to the reply given by my right hon. Friend, the Secretary of State, to my right hon. Friend the Member for Glasgow, Pollock (Mr. Davidson) on 17 July, *Official Report*, columns *239–41*.

Asthma

Sir Peter Emery: To ask the Secretary of State for Social Security how many registered days of certified incapacity due to sickness and invalidity caused by asthma there were in 1995; and how much this cost in benefits payments. [8858]

Mr. Denham: The information is not available in the format requested. Such information as is available is in the table.

	[1]*4 April 1994 to 12 April 1995*
Number of days of certified incapacity due to asthma, excluding days for which statutory sick pay is payable.	[2]17,061,000
Estimated cost of sickness and invalidity benefit	[3]£179 million

[1] The year ending April 1995 is the latest period for which figures are available.
[2] Source: 1 per cent. sample of all claims in Great Britain. Diagnosis taken from the International Classification of Diseases [1975 edition].
[3] It is not possible to provide figures for other benefits, such as income support which may be payable in addition to or in place of incapacity benefit.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Social Security if she will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10184]

Ms Harman: The major components of this Department's programme are being reviewed as part of the comprehensive spending review, the terms of reference of which will be announced shortly.

As my right hon. Friend the Chief Secretary said in answer to a question from the hon. Member for Bromley and Chislehurst (Mr. Forth) on 14 July, *Official Report*, column *3*, we expect the comprehensive spending review to last approximately 12 months.

On 17 July I also announced a view of the central areas of insecurity for elderly people including all aspects of the basic pension and its value and second pensions including SERPS. The purpose of the review is to build a sustainable consensus for the long-term future of pensions. It will enable the Government to publish an initial framework for change in the first part of 1998. There will then be a period of further consultation before firm proposals are developed.

Child Support

Mr. Kirkwood: To ask the Secretary of State for Social Security if she will give a breakdown of the compensation applications and awards made to Child Support Agency clients in *(a)* 1995–96 and *(b)* 1996–97. [5272]

Mr. Keith Bradley: We expect the Child Support Agency to provide an efficient and effective service to all its clients throughout the child support assessment process. We are looking for substantial and sustained operational improvements from the agency, in particular on getting more maintenance paid, reducing the backlog and improving customer service.

The administration of the Child Support Agency is a matter for the chief executive, Mrs. Faith Boardman. She will write to the hon. Member.

Letter from Faith Boardman to Mr. Archy Kirkwood, dated 21 July 1997:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency compensatory applications and awards. These are referred to as special payments.

The table attached indicates the number of applications and awards made to customers during the requested periods, against the Agency's live and assessed caseload of over half-a-million.

I hope this is helpful.

Child Support Agency live and assessed caseload 579,200

	Special payments applications made	*Total awards made* *Number of cases*	*Total amount paid*
1995–96	1,013	186	£115,000
1996–97	2,177	983	£656,000

Mr. Donohoe: To ask the Secretary of State for Social Security (1) if she will list for each financial year since the establishment of the Child Support Agency *(a)* how much the agency has paid out in compensatory payments, *(b)* in how many case compensatory payments have been made, *(c)* the average amount paid out in compensatory payments, *(d)* in what proportion of cases dealt with by the CSA compensatory payments have been made and *(e)* the total number of maintenance assessments carried out by the CSA in each of these periods; [7213]

(2) if she will list for each financial year since the establishment of the Child Support Agency in how many instances the CSA has made compensatory payments between *(a)* £0 and £100, *(b)* £100 and £500, *(c)* £500 and £1,000 and £5,000 and *(e)* in excess of £5,000. [7212]

Mr. Bradley *[holding answer 9 July 1997]:* We expect the Child Support Agency to provide an efficient and effective service to all its clients throughout the child support assessment process. We are looking for substantial and sustained operational improvements from the agency, in particular on getting more maintenance paid, reducing the backlong and improving customer service.

The administration of the Child Support Agency is a matter for the chief executive, Mrs Faith Boardman. She will write to my hon. Friend.

Letter from Faith Boardman to Mr. Brian Donohoe, dated 21 July 1997:

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about Child Support Agency compensatory payments.

The tables attached provide all the available information regarding compensatory payments. A breakdown of payments into monetary values is not available for 1994/95 or 1995/96 and could only be obtained at disproportionate cost.

I hope this is helpful.

Child Support Agency compensatory payments—miscellaneous

	1993–94	*1994–95*	*1995–96*	*1996–97*
Amount paid	£100	£10,200	£115,000	£656,000
Number of payments made	1	77	186	983
Average amount	£100	£133	£779	£667

Child Support Agency compensatory payments—miscellaneous

	1993–94	*1994–95*	*1995–96*	*1996–97*
Percentage proportion of compensatory payments to total clearances	0.0003	0.01	0.06	0.28
Number of maintenance assessments	205,000	251,000	128,000	129,000

Child Support Agency compensatory payments—payments breakdown

Amount	*1993–94*	*1994–95*	*1995–96*	*1996–97*
£0–99.99	—	Not available	257	
£100–499.99	1	Not available	334	
£500–999.99	—	Not available	180	
£1,000+	—	Not available	212	
Total	1	77	186	983

Executive Agencies

Mrs. Betty Williams: To ask the Secretary of State for Social Security when she will make available the 1996–97 annual reports and accounts for each of her next steps agencies. [10330]

Ms Harman: The 1996–97 annual reports and accounts have been laid before Parliament today for the Benefits, Child Support, Contributions, Information Technology Services, and War Pensions Agencies.

Family Credit

Mr. Cousins: To ask the Secretary of State for Social Security when the new level of child care costs disregard proposed for family credit will come into effect; and if *(a)* new and *(b)* existing claimants, will have access to the higher level of disregard from that date. [9560]

Mr. Keith Bradley: This measure forms part of the Government's commitment to develop a national child care strategy. Within that strategy, the Government will plan provision to match requirements of the modern labour market and provide the help needed by parents to balance the demands of family and working life.

The proposed improvements to the child care disregard will be brought in at the earliest opportunity, in the summer of 1998. Following the date of introduction, all new awards, for both new and existing claimants, will take account of the new level of disregard. Family credit is awarded at a fixed rate for 26 weeks and existing recipients will be eligible from the first renewal claim following the date of introduction.

Pension Review Cases

Mr. Forth: To ask the Secretary of State for Social Security if she will give for the Review of Pension cases *(a)* the expected completion date and *(b)* the cost of conducting the review. [8251]

Mrs. Liddell: I have been asked to reply.

I refer the hon. Gentleman to my answer of 24 June, *Official Report*, column *454*, in which I repeated the Government's challenge to the 24 firms which are together responsible for nearly three-quarters of the cases requiring review, that they should better the targets set by the Securities and Investments Board and the Personal Investment Authority. It is the Government's view that all firms should endeavour to meet, if not better, the targets set by their regulators. The costs of conducting the review are a matter for the firms.

Written Answers to Questions

Wednesday 23 July 1997

PRESIDENT OF THE COUNCIL

Drugs Co-ordinator

Mr. Beith: To ask the President of the Council what is to be the official title of the person described as the "Drugs Tsar". [10107]

Mrs. Ann Taylor *[holding answer 23 July 1997]:* The official title for this post, which is to be advertised shortly, will be "UK Anti-Drugs Co-ordinator".

Ethnic Minorities

Mr. Vaz: To ask the President of the Council how many civil servants there are in total on each pay band in her Department. [9588]

Mrs. Ann Taylor: The information for members of the senior civil service is as follows:

Pay Band 4: 1

Pay Band 2: 1

Pay Band 1: 2.

Remaining staff, save for support grades, are in grades rather than pay bands. The numbers of staff in each grade are as follows:

Grade 7: 4

Senior Executive Officer: 1

Higher Executive Officer: 3

Senior Personal Secretary: 4

Executive Officer: 8

Personal Secretary: 3

Administration Officer: 5

Administrative Assistant: 2

Support Grade Band 1: 1

Support Grade Band 2: 3.

Mr. Vaz: To ask the President of the Council how many and what percentage of employees, in each pay band, in the quangos for which her Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9587]

Mrs. Taylor: I am responsible for no such organisations.

Mr. Vaz: To ask the President of the Council how many and what percentage of employees in her private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [9586]

Mrs. Taylor: None.

HOUSE OF COMMONS

Members' Staff (Pensions)

Mr. Peter Atkinson: To ask the President of the Council, pursuant to her answer of 15 July, *Official Report*, column *152*, concerning pensions of hon. Members' staff, if she will increase the 10 per cent. contributed by the Finance Office to compensate for falls in the final value of pensions due to withdrawal of advance corporation tax. [10082]

Mrs. Ann Taylor: As I said in my previous answer, the final value of the pension in respect of any individual on an hon. Member's staff will depend on a wide range of factors. I have no plans to change the present arrangements.

DUCHY OF LANCASTER

Departmental Documents

Mr. Matthew Taylor: To ask the Chancellor of the Duchy of Lancaster for what reason documents relating to a meeting of the Cabinet's Defence Committee on 29 October 1952 in the classmark CAB 131/12 at the Public Record Office are currently retained by his Department; and if he will consider releasing these papers. [9471]

Dr. David Clark: The documents relating to this meeting had been retained by my Department on grounds of national security. They have recently been re-reviewed to see whether they could be released. As a result, one item recording the committee's discussion about the deployment in the United Kingdom of a United States army intercept station and the paper relating to this part of the discussion are being prepared for transfer to the Public Record Office. The review has confirmed that another item, and the papers related to it, need to continue to be withheld on grounds of national security. These documents will be re-reviewed at regular intervals and when no longer sensitive will be released.

Property Advisers to the Civil Estate

Mrs. Golding: To ask the Chancellor of the Duchy of Lancaster if he has set performance targets for Property Advisers to the Civil Estate. [10512]

Mr. Kilfoyle: The performance targets are as follows:

(i) to identify savings from proposals to be agreed with departments for the co-ordination of property activities on the civil estate which in net present value terms should be at least 10 times the agency's related running costs;

(ii) to deliver on time at least 85 per cent. of the central advice unit's annual work plan;

(iii) to recover 100 per cent. of the costs of providing intelligent client services and to increase the percentage of all PACE's running costs recovered;

(iv) to dispose of 110 freeholds and leaseholds within a annual net provision of £95 million;

(v) to achieve 75 per cent. overall customer satisfaction for the agency's services.

Regulations

Mrs. Golding: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on how he proposes to help businesses understand and comply with regulations. [10513]

Mr. Kilfoyle: As part of this Government's better regulation programme, we are determined to make central and local government's regulatory advice and service more transparent, accessible and helpful. The Chancellor of the Duchy of Lancaster has therefore asked me to lead a new initiative called access business, which will co-ordinate and modernise a wide range of regulatory advice, forms and guidance for business into a simpler, more unified service. We have set up an access business group, whose first meeting I am chairing today, which consists of the Under-Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Wallasey (Angela Eagle); the Minister for SMall Firms, Trade and Industry; Teresa Graham from the Institute of Chartered Accountants; and Councillor John Ryan, chair of the Local Government Association's public protection committee. I look forward to the access business group announcing the first fruits of its work in the autumn.

Mrs. Golding: To ask the Chancellor of the Duchy of Lancaster if he will make a statement about his Department's policy in relation to the previous Government's consultation on proposals to apply to enforcement provisions in section 5 of the Deregulation and Contracting Out Act 1994 to trading standards, environment health and care services legislation. [10514]

Mr. Kilfoyle: A number of those who responded to the earlier consultation expressed significant concerns about the inflexibility and potential bureaucracy that would arise from the strict application of section 5 in these areas. There was, none the less, broad support from business, local authorities and enforcement bodies for the principles of good enforcement. This Government are committed to the fair, open and consistent enforcement of regulations. One of the first tasks, therefore, of the access business group, referred to in my previous answer, will be to build on the consensus about the principles of good enforcement while avoiding the inflexibility and expense in the last Government's proposals to legislate in these areas. I hope that we shall be able to agree a new joint approach later this year.

LORD CHANCELLOR'S DEPARTMENT

Ethnic Minorities

Mr. Vaz: To ask the Parliamentary Secretary, Lord Chancellor's Department how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8946]

Mr. Hoon: Information relating to ethnicity in the Lord Chancellor's Department is not usually given where numbers are small enough to enable identification of individuals. This practice complies with an agreement between the trade unions and the Department, and assurances given to staff when they are asked to provide the information. However, all staff in my private office, irrespective of ethnic origin, have consented to provision of this information, and the trade unions have consented to publication.

The information is set out in the table.

Parliamentary Secretary's Private Office, Lord Chancellor's Department

	Number	*Percentage*
Asian Origin	2	40
African origin	1	20

Mr. Vaz: To ask the Parliamentary Secretary, Lord Chancellor's Department how many and what percentage of employees, in each payband, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8947]

Mr. Hoon: My Department is responsible for only one active executive non-departmental public body: the Legal Aid Board.

The latest ethnic monitoring figures available for the Legal Aid Board are as at 31 March 1996, and are in the table.

The board's survey is conducted by grade rather than salary bands. The salary bands used overlap as they range from the minimum of the lowest grade to the maximum of the highest grade in each band. The salaries exclude London weighting/recruitment and retention allowance where applicable.

	Afro-Caribbean		*Asian*	
Salary ranges for more than one grade	*Number*	*Per cent.*	*Number*	*Per cent.*
£5,000–£14,000	52	3.82	26	1.91
£9,800–£28,000	11	0.80	5	0.36
£22,000–£45,000	0	n/a	2	0.14

Civil Servants

Mr. Vaz: To ask the Parliamentary Secretary, Lord Chancellor's Department how many civil servants there are on each pay band in his Department. [8948]

Mr. Hoon: For the Lord Chancellor's Department, including the Court Service and the Public Trust Office, the information is set out in the table. A separate table provides information on the Northern Ireland Court Service. Below the senior civil service, staff are paid on the basis of grades, with a separate pay band or pay range for each grade. I have asked the chief executives of the Land Registry and of the Public Record Office to reply separately.

LCD Headquarters, Court Service and Public Trust Office

	Number
Permanent Secretary	1
Senior Civil Service Pay Band 8	2
Senior Civil Service Pay Band 4	7
Senior Civil Service Pay Band 3	2
Senior Civil Service Pay Band 2	22
Senior Civil Service Pay Band 1	19
Senior Posts Not Allocated To A Pay Band	13
Grade 6	70
Grade 7	215

LCD Headquarters, Court Service and Public Trust Office

	Number
Senior Executive Officer	285
Higher Executive Officer	987
Executive Officer	2,275
Administrative Officer	4,878
Administrative Assistant	376
Support Grades	1,928
Total	11,080

Northern Ireland Court Service	*Number*
Senior Civil Service Pay Band 3	1
Senior Civil Service Pay Band 1	3
Grade 6	1
Grade 7	17
Senior Executive Officer	39
Higher Executive Officer	[1]56
Executive Officer	177
Administrative Officer	201
Administrative Assistant	34
Support Grades	150
Total	679

[1] Including 16 Enforcement Officers.

Letter from Stuart Hill to Mr. Keith Vaz, dated July 1997:

I have been asked by the Parliamentary Secretary, Lord Chancellor's Department, to reply to you recent question concerning the number of staff in each payband.

Following a Grading and Pay Review the Land Registry has moved to a system of ten paybands. Staff with the Senior Civil Service are in paybands common to all departments. The numbers as at 15th July are as follows:

Payband	*Core Civil Service Equivalent Grade*	*Number of staff*
Registration Assistant 2	Administration Assistant	865
Registration Assistant 1	Administration Assistant	995
Registration Officer 2	Administration Officer	2,936
Registration Officer 1	Administration Officer	518
Registration Executive 3	Executive Officer	2,412
Registration Executive 2	Higher Executive Officer	545
Registration Executive 1	Senior Executive Officer	288
Senior Registration Administrator 2	Grade 7	40
Senior Registration Administrator Lawyer	Grade 6 and Grade 7	128
Senior Registration Administrator 1	Grade 6	26
Senior Civil Service Band 1	—	18
Senior Civil Service Band 2	—	4
Senior Civil Service Band 4	—	2
Senior Civil Service Band 5	—	1

Letter from Duncan Simpson to Mr. Keith Vaz, dated 16 July 1997:

The Lord Chancellor's Parliamentary Secretary has asked me, in the absence on leave of the Chief Executive, to reply for the Public Record Office to your question about paybands.

The details are set out below. Most of our staff are covered by our own payband system and I have given the approximate civil service payband equivalents in the central column for guidance.

Payband	*Approximate civil service payband(s) equivalents*	*Civil servants*
Civil service 3	—	1
Civil service 5	—	3
Public Record Office 1	6–7	14
Public Record Office 2	8–9 and equivalents	50
Public Record Office 3	9–10 and equivalents	54
Public Record Office 4	10 and equivalents	137
Public Record Office 5	11 and equivalents	159
Public Record Office 6	12 and equivalents	95

SOCIAL SECURITY

Cold Weather Payments

Mr. Evans: To ask the Secretary of State for Social Security what review of cold weather payments she has made; when she expects to report on the review's conclusions; and if the review has considered the possible incorporation of the wind chill factor in the calculation of cold weather payments. [4726]

Mr. Bradley: The annual review of the cold weather payments scheme is currently in progress. Announcements on its conclusions will be made in due course.

War Pensions

Mr. Bill O'Brien: To ask the Secretary of State for Social Security what progress has been made on the recently promised independent review of the science of the assessment of noise-induced sensorineural hearing loss for the purposes of claims to war pensions. [10554]

Mr. Denham: The Government are pledged to an independent review of the medical evidence behind the approach to the assessment of noise-induced hearing loss in war pensions. We hope that the review will provide a conclusion which is clear and unambiguous.

The review will be chaired by Sir Kenneth Calman, the chief medical officer. The other members of the review team will be Professor Adrian Davis of the Medical Research Council Institute of Hearing Research, Professor Mark Lutman of the Institute of Sound and Vibration Research, Professor Linda Luxon of the Institute of Laryngology and Otology at the University college London medical school and Dr. Guy Lightfoot of the department of clinical engineering at the Royal Liverpool university hospital. Dr. Anne Braidwood of this Department will serve on the team and act as secretary.

The review team is expected to meet in September.

Housing Benefit

Mrs. Ballard: To ask the Secretary of State for Social Security what plans she has to change the rules on housing benefit to ensure that local authority tenants are not subsidising, through rent levels, the housing benefit of other tenants. [8348]

Mr. Raynsford: I have been asked to reply.

Under the housing revenue account subsidy system, an authority's entitlement to subsidy for its council housing is based upon various assumptions about its relative income and expenditure. If the cost of rent rebates is excluded from the subsidy calculation, most local authorities have a notional surplus of income over expenditure. These surpluses are used to offset the cost of rent rebates.

We have some sympathy with local authorities' concerns about this aspect of the subsidy system and have embarked on a review of the HRA subsidy system as part of the comprehensive spending review of housing.

TREASURY

Fraud

Mr. Key: To ask the Chancellor of the Exchequer if he will list each of the central Government bodies which reported fraud cases in the 1995–96 fraud report, indicating for each *(a)* the number of cases, *(b)* the number of staff involved in each case and *(c)* the total value of frauds; and if he will list for each body the percentage change in (i) the number of cases and (ii) the value over (1) 1994–95 and (2) 1993–94. [7477]

Mr. Darling: The number of internal cases, number of staff involved and value of fraud cases to the 1995–96 fraud report are shown by Department together with the percentage changes in the number and value of cases over 1994–95 and 1993–94.

1995–96[1]

Department	*Number of cases*	*Number of internal staff perpetrators*	*Value £*	*Cases Per cent. change 1995–96 over 1994–95 +/(–)*	*Value Per cent. change 1995–96 over 1994–95 +/(–)*	*Cases Per cent. change 1995–96 over 1993–94 +/(–)*	*Value Per cent. change 1995–96 over 1993–94 +/(–)*
Ministry of Agriculture, Fisheries and Food	5	5	3,400	[2]—	—	0	(81)
Cabinet Office	4	4	4,678	300	738	33	(52)
Crown Office (Scotland)	2	2	2,486	100	2,080	0	69
Crown Prosecution Service	3	3	56	200	124	200	(98)
HM Customs and Excise	31	31	1,420,320	(43)	555	(54)	2,618
Ministry of Defence	212	212	506,500	9	(51)	112	(3)
Export Credit Guarantee Department	3	3	2,635	50	133	—	—
Department of Education and Employment	17	18	28,446	(23)	(71)	(50)	(71)
Department of the Environment	5	5	19,690	67	3,289	(58)	230
Foreign and Commonwealth Office	3	3	35,607	(40)	(75)	(80)	(81)
Forestry Commission	3	4	187	(25)	(99)	200	112
GCHQ	4	4	1,606	0	(65)	(20)	(48)
HMSO (now The Stationery Office)	1	1	75	(75)	(94)	—	—
Department of Health	3	3	1,124	(25)	(92)	(25)	(88)
Home Office	25	27	50,435	257	21	(11)	(17)
Inland Revenue	7	7	261,920	(30)	662	(42)	143
Intervention Board	2	5	1,476	—	—	100	(72)
HM Land Registry	4	4	513	—	—	—	—
Lord Chancellor's Department	12	12	11,972	(20)	(96)	20	(93)
Department of National Heritage	3	3	532	—	—	50	(100)
Department of National Savings	1	1	330	—	—	—	—
Overseas Development Administration (now DFID)	1	1	50	0	(99)	—	—
Department of Social Security	111	121	474,485	122	180	692	312
The Scottish Office	5	5	4,593	(54)	(89)	(50)	296
Department of Trade and Industry	4	4	11,874	100	12,016	(20)	18
Department of Transport	2	2	3,690	(50)	57	(80)	(64)
HM Treasury	1	1	0	—	—	0	(100)
Welsh Office	2	2	20	(33)	(95)	(50)	(100)
Total	[3]476	493	£2,848,700				

[1] The table excludes Departments which reported a nil return in 1995–96.

[2] The notation '—' indicates that the Department recorded a nil return in the year concerned and there is therefore no basis for comparison with the base year 1995–96.

[3] The reduction in the 480 cases referred to in the 1995–96 report reflects the subsequent correction of a database error.

1. Some large percentage changes in value and case numbers are based on relatively small changes in actual values. The overall pattern shows a gradual increase year on year in the numbers of cases being reported. This increase may be due in part to better reporting arrangements and improved fraud awareness in departments.

2. Levels of fraud reported in previous years cannot easily be inferred from reductions in percentage changes of 100 per cent. since the maximum reduction is 100 per cent.

National Lottery

Mr. Nigel Jones: To ask the Chancellor of the Exchequer what is his estimate of Treasury receipts resulting from national lottery grants to fund capital building projects; and if he will make a statement. [7999]

Mr. Darling: The Treasury has not received any grants from the national lottery and no estimate has been made of tax paid by other recipients of lottery grants. It would be difficult to identify those receipts that arose purely from lottery grants. Receipts of lottery duty from November 1994 to date, however, total £1,446,434,000.

Sickle Cell Anaemia

Mr. McDonnell: To ask the Chancellor of the Exchequer if he will list the number of detected cases of sickle cell anaemia by each London health authority. [9184]

Mrs. Liddell: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. John McDonnell, dated 23 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics, to your recent parliamentary question on the number of detected cases of sickle cell anaemia in each London health authority.

I am afraid that no national register of patients having sickle cell anaemia is kept. The information is therefore unavailable centrally.

Debt Payment

Mrs. May: To ask the Chancellor of the Exchequer what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9523]

Mrs. Liddell *[holding answer 18 July 1997]:* All Departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is the later, where no such terms exist. Information on payment performance for the current financial year could be provided only at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

Unemployment

Mr. Beggs: To ask the Chancellor of the Exchequer what progress has been made in reviewing the methods by which the numbers of unemployed in the United Kingdom are quantified. [9772]

Mrs. Liddell: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Roy Beggs, dated 23 July 1997.

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics (ONS), to your recent question on what progress has been made in reviewing the methods by which the number of unemployed in the United Kingdom are quantified.

The ONS produces two measures of unemployment. The first is derived from the quarterly Labour Force Survey, and is defined on a consistent and internationally recognised basis set out by the International Labour Organisation (ILO). It counts as unemployed those people who are a) without a paid job, b) available to start work within the next two weeks and c) have either looked for work in the last four weeks or are waiting to start a job already obtained.

The ONS also publishes the monthly claimant count, which is based on the administrative system and includes all people claiming unemployment-related benefits (i.e. Jobseekers Allowance or National Insurance credits) at Employment Service offices on the day of the monthly count, who on that day had signed on as unemployed and available to do any suitable work. Essentially, all people who attend an Employment Service office to sign on the designated day are counted.

The ONS consultation exercise on the future presentation and dissemination of labour market statistics has been completed. Responses are being collated and analysed, and the ONS hopes to announce its plans by the end of July.

Channel Island Trusts

Mr. Page: To ask the Chancellor of the Exchequer what is the estimated revenue loss from the use by British companies of Channel Island trusts to hold shares in long-term executive performance plans. [9762]

Dawn Primarolo: There are no special tax allowances or exemptions for executives who receive shares under long-term performance plans, whether or not such shares have been held under trust in the Channel Islands.

Tax Avoidance Schemes

Mr. Prior: To ask the Chancellor of the Exchequer (1) if his plans to legislate against tax avoidance schemes include action against shares held in offshore trusts as part of a managerial incentive or bonus scheme; [10109]

(2) what proposals he is assessing for legislation in respect of the holding of shares under management incentive schemes in an offshore trust in Jersey. [9787]

Dawn Primarolo *[holding answer 21 July 1997]:* The Chancellor said in his Budget statement that he had asked the Inland Revenue to review all areas of tax avoidance. Specific measures arising from that review will be announced as necessary.

Computers (Century Date Change)

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will make a statement on the costs to public funds in *(a)* 1998–99, *(b)* 1999–2000 and *(c)* 2000–01 of the measures necessary to resolve the year 2000 problem in Government Departments. [9480]

Mrs. Liddell *[holding answer 21 July 1997]:* Government Departments are producing, by October 1997, fully costed plans for undertaking the work needed.

All computer systems are due to be modified and tested by 31 January 1998 subject, where appropriate, to a final check of end year financial systems by April 1999.

The cost of the work in 1998–99 will be met from within the published departmental expenditure plans.

Disposable Incomes

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what is his estimate of the percentage change

in the after-tax disposable income of United Kingdom households resulting from the changes announced in his recent Budget, broken down by each income decile; and if he will make a statement. [9484]

Dawn Primarolo *[holding answer 21 July 1997]:* The estimates are given in the table. These show changes in disposable income—that is income, including benefits less direct tax. That means that the figures include the effects of the change in mortgage interest relief in the Budget, but not excise duty or other tax changes.

The estimates made do not reflect the effect of new deal expenditure, such as measures helping young people into work, and the increased child benefit disregard for lone parents. This will increase disposable income, especially for households in the lower income deciles.

Household income decile	*Percentage change in after-tax disposable income*
Bottom	–0.15
2	–0.15
3	–0.15
4	–0.20
5	–0.20
6	–0.25
7	–0.25
8	–0.25
9	–0.20
Top	–0.15
Average	–0.20

Note:

Household incomes are adjusted for differences in composition in households before allocating households to deciles. Percentages are rounded to the nearest 0.05 per cent.

Gross Domestic Product

Mr. Cousins: To ask the Chancellor of the Exchequer what were *(a)* average GDP per head and *(b)* 75 per cent. of average GDP per head in (i) the European Union and (ii) the United Kingdom during the last three years; and what was the average GDP per head in each region and nation of the United Kingdom during the last three years using (1) the former standard region boundaries and (2) the new Government office region boundaries. [10133]

Mr. Darling: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Jim Cousins, dated 23 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics (ONS), to your recent parliamentary question on estimates of GDP per head for the European Union, the United Kingdom, and the regions of the United Kingdom.

Consistent information on GDP for the countries of the European Union is published by Eurostat in their annual "National Accounts ESA Aggregates". The latest edition gives figures up to 1993 as follows:

Gross domestic product per head of population, at market prices, current prices

Purchasing Power Parities

	United Kingdom		*European Union 15*	
	GDP per head	*75 per cent. of GDP per head*	*GDP per head*	*75 per cent. of GDP per head*
1991	14,739	11,055	15,204	11,403
1992	15,448	11,586	15,753	11,815
1993	15,717	11,788	15,850	11,888

The ONS publishes estimates of regions' GDP in £ millions and £ per head valued at Factor cost and current prices. Latest estimates are for 1995. Estimates for Standard Statistical Regions were published in the January/February 1997 issue of Economic Trends, whilst those for Government Office regions were published in Regional Trends, 1997.

These publications are available in the House of Commons Library.

Unemployment (Bolton)

Ms Kelly: To ask the Chancellor of the Exchequer how many people aged 25 years or over have been unemployed for two years or more in the Bolton, West constituency. [9684]

Mrs. Liddell: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Ms Ruth Kelly, dated 23 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics (ONS), to your recent parliamentary question asking how many people aged 25 years or over have been unemployed for two years or more in the Bolton West constituency.

The ONS produces two measures of unemployment. The first is derived from the quarterly Labour Force Survey, and is defined on a consistent and internationally recognised basis set out by the International Labour Organisation (ILO). It counts as unemployed those people who are a) without a paid job, b) available to start work within the next two weeks, and c) have either looked for work in the last four weeks or are waiting to start a job already obtained.

The ONS also publishes the monthly claimant count, which is based on the administrative system and includes all people claiming unemployment-related benefits (i.e. Jobseekers Allowance or National Insurance credits) at Employment Service offices on the day of the monthly count, who on that day had signed on as unemployed and available to do any suitable work. Essentially, all people who attend an Employment Service office to sign on the designated day are counted.

The information requested can only be derived from the claimant count, as the labour force survey does not give detail on duration of unemployment below county level. In April 1997, the latest date for which figures are available, there were 112 people aged 25 years or over who had been claiming unemployment-related benefits for more than two years in the Bolton West constituency.

Economic and Monetary Union

Sir Richard Body: To ask the Chancellor of the Exchquer which statistical sources will be used to identify the fulfilment of the criteria for EMU convergence. [10015]

Mrs. Liddell *[holding answer 22 July 1997]:* Protocol (No. 6) on the convergence criteria referred to in article 109j of the treaty establishing the European Community states

"The statistical data to be used for the application of this Protocol shall be provided by the Commission".

Sir Richard Body: To ask the Chancellor of the Exchequer what research he has *(a)* commissioned and *(b)* evaluated on the redenomination of Government debt from sterling into euros under a single currency; and if he will make a statement. [10205]

Mrs. Liddell *[holding answer 22 July 1997]:* The report of the working group on the gilt market after EMU recommended, if the United Kingdom joins EMU,

"complete and simultaneous redenomination of existing gilts from sterling into euro by law; this should take place early in 1999 if the UK joins EMU at the outset or as soon as possible after it joins if it participates at a later date".

HM Treasury was represented at the working group, which was convened by the Bank of England, and included a wide range of market participants. The report does not necessarily represent the views of the Government. The report was published in the Bank's "Practical Issues Arising from the Introduction of the Euro"—No. 3, December 1996.

Sir Richard Body: To ask the Chancellor of the Exchequer if he will commission research into the potential effects on the world gold price of the sale of excess reserves by states participating in the single currency; and if he will make a statement. [10197]

Mrs. Liddell *[holding answer 22 July 1997]:* Developments in the world gold market are kept under continuous review as part of the normal process of managing the official reserves.

Civil Servants (Pay and Conditions)

Mr. Kirkwood: To ask the Chancellor of the Exchequer (1) if staff engaged in the labour force survey field teams organised by the social survey division of the Office of National Statistics are entitled to the protection, pay and working conditions available to other civil service employees; [9459]

(2) if he will list the car mileage expenses limits applicable to payment by Government Departments to civil servants' travel in the course of their paid employment; and if these rates differ for staff travel relating to work undertaken for Departments on a self-employed or fee-paying basis; [9460]

(3) in what circumstances the Government insist on Crown exemptions regarding car insurance being taken out by persons carrying out duties on behalf of the civil service, with special reference to the labour force survey. [9461]

(4) what guidance is given to civil service staff concerning when travel by car can be legitimately claimed as expenses by civil servants or others involved in labour force survey field work. [9462]

Mrs. Liddell *[holding answer 22 July 1997]:* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Archy Kirkwood, dated 23 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics (ONS) to your recent parliamentary questions (9459, 9460, 9461, 9462) on Civil Servants travelling by car when involved in field work.

The Social Survey is a division of the ONS and carries out social and economic surveys commissioned by government departments and other public bodies. The Labour Force Survey provides independent, accurate and reliable information about people's intentions in the area of employment.

Labour Force Survey Interviewer contracts of employment are fundamentally different from main stream ONS employees and reflect the unique nature of their work. Terms and conditions of service and rates of pay are negotiated directly with the Institution of Professionals, Managers and Specialists (IPMS), the civil service union recognised for collective bargaining purposes.

The Labour Force survey is continuous throughout the year but the amount of work available for field interviewers fluctuates each week. Employment is therefore paid at an hourly rate. The hourly rates have been calculated to include an additional supplement for bank holidays, privilege days and annual leave days which are not paid at the time they are taken, Interviewer appointments are not pensionable, and for periods of sickness absence only payments due under statutory entitlement are made. To compensate for this, the hourly rate for pay has been further enhanced.

Interviewers are paid for time spent travelling to and from working area, and for time spent calling on people and interviewing in the area. Study, planning and administration time are also paid. Payment is not made for periods when interviewers are unavailable for work or when there is no suitable work available. Labour Force Interviewers contact and interview informants by calling on them at home. The use of a car is essential and a motor mileage allowance is payable for use of a private vehicle on official business.

Since 1994 government departments and agencies have been free to set their own rates of motor mileage allowance, which are payable to employees travelling necessarily in the course of their paid employment. Motor mileage rates therefore differ from department to department according to prevailing circumstances.

The ONS operates a single rate of motor mileage allowance for all private motor vehicles. The rate for the first 4,000 miles is 37 pence per mile. The rate for mileage in excess of 4,000 miles is 24 pence per mile. This rate of motor mileage allowance currently applies to all ONS employees irrespective of type of appointment.

Guidance for Labour Force Survey field workers, relating to the use of private vehicles on official business, is available in the Pay and Expenses Handbook for Labour Force Survey Interviewers.

Expenses claims for mileage are only allowed when field workers have used a car which has been specifically authorised for official use. For a vehicle to be authorised it must satisfy certain insurance conditions. The insurance policy must include:

cover for damage to or loss of the vehicle,

cover for bodily injury to or death of third parties or any passenger, and of damage to the property of third parties,

cover for the use of the car either in connection with the employee's business or the business of the employing department.

In addition, the insurers must undertake to indemnify the Crown (in the event of a claim against the Crown as the driver's employer) to the same extent as the insured is covered under the policy, on the understanding that the insurers are allowed to retain control of the claim.

Pensioners (Fuel Costs)

Mr. Flynn: To ask the Chancellor of the Exchequer, pursuant to his answer to the right hon. Member for Wells (Mr. Heathcoat-Amory) of 16 July, *Official Report*, column *169*, concerning the effect on pensioners of the reduction in VAT on domestic fuel, on what assumption in respect of the uprating of the basic pension the answer was based; and for what reason that assumption was used. [10149]

Dawn Primarolo: No assumption was used in respect of the uprating of the basic pension. The uprating for 1998–99 benefit levels will depend upon the retail prices index increase in September 1997. This reflects the prices paid for goods and services and will take account of the reduction in VAT on fuel and power. So the real value of the pension is not affected by the change.

International Development White Paper

Dr. Tonge: To ask the Chancellor of the Exchequer what new policies are being developed by his Department to promote international development and poverty eradication; and if they will be included in the proposed White Paper on international development. [8999]

Mrs. Liddell: The Secretary of State for International Development is responsible for Government policy on development. She will publish the White Paper. The Treasury is one of a number of Government Departments consulted by the Department for International Development on the White Paper, and our contributions will be set out in that document.

Financial Regulation

Mr. Timms: To ask the Chancellor of the Exchequer if he will make a statement about the future of *(a)* the Building Societies Commission, *(b)* the Friendly Societies Commission and *(c)* the Registry of Friendly Societies. [10553]

Mr. Waterson: To ask the Chancellor of the Exchequer what plans he has to review the structure, powers and scope of operation of the Securities and Investments Board; and if he will make a statement. [9693]

Mrs. Liddell: My right hon. Friend, the Chancellor of the Exchequer announced on 20 May, *Official Report*, columns 508–11, that the Government will be bringing forward legislation to reform the structure of financial regulation and to create a single enhanced financial services regulatory body. The legislation to establish this regulatory body will provide for the transfer to the new body of all the functions currently carried out by the Building Societies Commission, the Friendly Societies Commission, and the central office of the Registry of Friendly Societies. These arrangements will further enhance the existing high standards of supervision and regulation in this area by integrating it with the regulation of all financial sectors, including banking, insurance, and other financial services.

Stock Exchange

Mr. Timms: To ask the Chancellor of the Exchequer if he will make a statement about the proposed trade publication régime for the London stock exchange's new electronic trading system. [10552]

Mrs. Liddell: I have now received advice from the Securities and Investments Board on the London stock exchange's proposed trade publication arrangements for its new stock exchange electronic trading service.

I endorse the advice from the SIB that the exchange's proposed trade publication rules for SETS should enhance the price formation process, improve the quality of transparency and so make for a fairer market. The Treasury has also received advice on this matter from the Director General of Fair Trading. This concludes that, although there is a potential competition issue here, none of the proposed rules—which will be kept under review by the DGFT—is significantly anti-competitive at present.

I welcome the stock exchange's plans to move to a more transparent trading system on the introduction of its electronic order book. In my view, the proposed new rules strike a sensible balance between the need to maximise the transparency of the UK equity market, so that investors can be confident that they are trading on an equal basis with other market participants; and the need to maintain arrangements which enable risk principle trading to continue for those investors wishing to obtain competitive prices for large trades. The result should be to enhance the liquidity of the UK equity market and make it even more attractive to international investors.

The Treasury is today submitting a memorandum to the Treasury Committee in response to the Committee's recent reports on the London stock exchange. Apart from trade publication, one of the other issues raised by the Committee was the exchange's corporate governance arrangements. The exchange's planned move to a new trading system this autumn demonstrates that it is capable of taking and implementing strategic decisions about its market in the light of commercial and competitive factors. However, I agree with the Committee that the effectiveness of the exchange's corporate governance arrangements is an important issue and one which will need to be kept under review. In this context, the Treasury fully supports the governance principles espoused by the SIB—that a recognised investment exchange should avoid any conflict between its regulatory role and the pursuit of its commercial interests, and that an exchange should be run in the interests of the full range of its users and members.

EDUCATION AND EMPLOYMENT

Training and Enterprise Councils

Sir Richard Body: To ask the Secretary of State for Education and Employment what plans he has for the future of TECs. [7912]

Dr. Howells: The Government value the work of TECs and the commitment given by so many business and community leaders through their involvement with the TEC movement. As strong employer-led strategic bodies TECs are well placed to play an important role in supporting the Government's objectives. Over the summer, we will be working with them through our Government offices for the regions to see how they may best re-focus their activities in line with the Government's priorities.

Sir Richard Body: To ask the Secretary of State for Education and Employment if he will make a statement on the amount of reserves held by TECs. [7911]

Dr. Howells: At the end of the financial year 1995–96, total reserves held by training and enterprise councils were almost £260 million. That is the most recent year for which information is available. TECs have provided further information which reports that the total reserves comprised £51 million for investment in capital assets, £86 million for working capital and £123 million for discretionary expenditure. Of the sum available for discretionary expenditure, TECs report that £102 million was committed for planned expenditure in 1996–97 and beyond for training, enterprise and economic regeneration activities. TEC reserves are already being used extensively to support local labour market needs. I am confident that TECs will now be able to contribute with their reserves to the challenging agenda set out in our manifesto for education, training and lifelong learning.

Learning Accounts

Sir Richard Body: To ask the Secretary of State for Education and Employment what plans he has to fund individual learning accounts. [8015]

Dr. Howells: The Government will publish their plans on individual learning accounts in their White Paper on lifelong learning to be published in the autumn.

Work Experience

Sir Richard Body: To ask the Secretary of State for Education and Employment what is Her Majesty's Government's policy in respect of work experience for 16 to 17-year-olds; and if he will make a statement. [9083]

Dr. Howells: Work experience has an important contribution to make in preparing young people for adult and working life, whichever learning route they choose at 16.

Animal Experimentation

Mr. Baker: To ask the Secretary of State for Education and Employment what steps he is taking to enable students studying for science degrees and doctorates to avoid taking part in animal experiments they do not wish to participate in. [9988]

Dr. Howells: Under the terms of the Further and Higher Education Act 1992, the Secretary of State for Education and Employment has no powers to influence particular courses of study or programmes of research carried out in higher education institutions.

It should be clear to students before they start a particular course of study whether or not it will involve animal experimentation. In some cases, it would be possible for students to opt for alternative modules if they so wished. However, a student's decision as to whether or not to participate in animal experimentation is a matter between the individual student and the relevant institution.

Asthma

Sir Peter Emery: To ask the Secretary of State for Education and Employment what is the estimated loss of time from work caused by asthma. [8857]

Angela Eagle: I have been asked to reply.

I refer the hon. Member to the answer given to him by the Under-Secretary of State for Social Security on Tuesday 22 July 1997, *Official Report* columns *576–77*, which estimates 17 million days per year of certified incapacity due to sickness and invalidity caused by asthma. This estimate includes all causes of asthma and does not specifically relate to occupational causes.

HEALTH

NHS (Fundholding Practices) Amendment Regulations

Mr. Edward Davey: To ask the Secretary of State for Health what plans he has to review regulation 11 of the NHS (Fundholding Practices) Amendment Regulations; and if he will make a statement. [9889]

Mr. Milburn: The national health service executive will keep the operation of this measure, like all other elements of the general practitioner fundholding scheme, under careful review.

False Memory Syndrome

Mrs. Ballard: To ask the Secretary of State for Health what advice his Department has issued to national health psychiatrists on false memory syndrome and recovered memories. [9861]

Mr. Boateng: Guidance on false memory syndrome was published last October in the Department of Health document entitled "NHS Psychotherapy Services in England—Review of Strategic Policy", copies of which have been placed in the Library.

Births (Chorley and South Ribble)

Mr. Hoyle: To ask the Secretary of State for Health how many pregnant women living in the Chorley and South Ribble health area had their babies delivered *(a)* in Preston and neighbouring districts and *(b)* at Chorley general hospital in the last year for which figures are available; and what criteria relate to the transfer of women in labour from Chorley general hospital to Preston royal infirmary. [9855]

Ms Jowell: The last year for which figures for Chorley and South Ribble district health authority were available was 1993–94. In 1994–95, Chorley and South Ribble formed part of South Lancashire DHA, which means that the following figures are not consistent between the two years. The source of the data is "Hospital Episode Statistics (Maternity)".

Pregnant women resident in Chorley and South Ribble DHA in 1993–94

Percentage of women whose babies were delivered in:	*Per cent.*
Preston and neighbouring districts	93
Chorley and South Ribble NHS Trust	7

Pregnant women resident in South Lancashire DHA in 1994–95

Percentage of women whose babies were delivered in:	*Per cent.*
Preston and neighbouring districts	96
Chorley and South Ribble NHS Trust	4

Women are transferred from Chorley to Preston for clinical reasons, where there are maternal or foetal complications.

Medical Devices Agency

Mr. Leslie: To ask the Secretary of State for Health if he will publish the 1996–97 annual report and accounts of the Medical Devices Agency. [10431]

Ms Jowell: We have received the report and accounts of the Medical Devices Agency and copies have today been laid before both Houses of Parliament in accordance with the requirements of section 5(2) and 5(3) of the Exchequer and Audit Departments Act 1921. Copies have also been placed in the Library.

Central Council for Education and Training in Social Work

Mr. Eric Clarke: To ask the Secretary of State for Health what plans he has for the quinquennial review of the Central Council for Education and Training in Social Work; and if he will make a statement. [10587]

Mr. Boateng: The Department will conduct a thorough review of the Central Council for Education and Training in Social Work on behalf of the United Kingdom sponsoring Departments. The review, which is now due as part of the regular five-yearly examination of non-departmental public bodies, will take the form of a prior options study. It will assess the extent to which the functions of the council are necessary for the achievement of the Government's policies and whether there is scope for rationalisation, market testing, privatising, contracting out or transferring all, or part, of its functions to another body. We will consult widely with all parties who have an interest in the work of the council.

The review will have regard to and take account of:

- the implications of the Government's National Training Organisation initiative for the personal social services sector;
- the recommendations of the report of the Dearing inquiry into higher education;
- the Government's proposals for devolution in Scotland and Wales, and
- the Government's intention to establish a general social services council.

To minimise uncertainty, we expect this fundamental review to be completed by the end of October. Throughout, the Government's objective remains to ensure that quality services are delivered through a work force trained and qualified to appropriate levels of competence. Nothing must get in the way of achieving that objective.

Incontinence

Mr. Burstow: To ask the Secretary of State for Health what plans he has to implement minimum mandatory standards for incontinence care provided throughout the NHS. [8981]

Mr. Boateng: Ministers have made a manifesto commitment to a long-term care charter to define standards for health, housing and social services. Additionally, the Government are planning to review the patients charter. Both of these charters are likely to provide an opportunity to develop, in liaison with a wide range of health and social care professionals and members of the public, standards which will improve not only the quality and delivery of incontinence care but other services which are aimed at the rehabilitative and long-term care needs of individuals.

Mr. Burstow: To ask the Secretary of State for Health what assessment his Department plans to make of the implementation by health authorities of its guidelines on incontinence care. [8982]

Mr. Boateng: The Department of Health issued its guidelines, "An Agenda for Action on Continence Services" in 1991. Since 1991, the Department has continued to concentrate on the implementation of these guidelines through the funding of research; the setting up of a national resource centre and the promotion of annual public awareness campaigns on issues of prevention and early intervention.

"The NHS Priorities and Planning Guidelines for 1994–95" required health authorities to ensure that their continence services conformed to the good practice guidelines in "An Agenda for Action on Continence Services". In addition, health authorities were required to set targets for reducing the prevalence of incontinence in their local population. The Department of Health is currently examining the findings and recommendations of several reports it commissioned in response to the recommendations set out in the guidelines to determine the measures necessary to ensure the continual improvement of incontinence services.

Mr. Burstow: To ask the Secretary of State for Health what is his Department's estimate of the incidence of incontinence among people below the age of 60 years. [8983]

Mr. Boateng: Information is not available on the incidence of incontinence. Information on prevalence is that 7 per cent. of adults aged under 60 living in private households reported having bladder problems in the 1995 "Health Survey for England". Further information is available on pages 134 to 137 of the publication "Health Survey for England 1995", copies of which are available in the Library.

Measles, Mumps and Rubella Vaccination

Dr. Brand: To ask the Secretary of State for Health what studies he has evaluated which have compared the incidence of side effects suffered as a result of MMR vaccination in different countries. [9489]

Ms Jowell: My right hon. Friend the Secretary of State for Health is advised on immunisation matters by the independent expert advisory committee, the Joint Committee on Vaccination and Immunisation and on matters concerning the quality, safety and efficacy of vaccines by the Committee on Safety of Medicines.

Assessment of vaccine safety and efficacy can be based on experience in any country using an appropriate population, so long as the vaccine constituents are the

same. Studies of vaccine use in other countries can form the basis for authorisation of the product in the United Kingdom. The Department's independent expert advisory committees, on behalf of my right hon. Friend the Secretary of State for Health, have considered a large number of studies looking at the incidence of purported side effects both in the UK and other countries. Information on the safety of single antigen measles and rubella vaccines is also relevant where these components are identical to those in the combined measles, mumps and rubella vaccine. Safety studies have therefore been available from the 1960s for these vaccine components.

A list of the published studies considered by the expert advisory committees and by the Department on the incidence of side effects associated with, or suggested to be associated with, MMR vaccination in different countries has been placed in the Library.

Students

Mr. Bercow: To ask the Secretary of State for Health what plans his Department has to provide free dental checks for students. [9820]

Mr. Milburn: Dental charges and all other aspects of Government spending are being reviewed as part of the Government's comprehensive spending review.

Mr. Bercow: To ask the Secretary of State for Health if the Government will provide financial assistance to students who incur chiropractor bills for treatment to serious injuries; and if he will make a statement. [9819]

Mr. Milburn: The national health service does not reimburse patients for the cost of treatment obtained privately. Where chiropractic services are provided through the NHS, they are free of charge.

Hearing Checks

Mr. Burstow: To ask the Secretary of State for Health if he will list those health authorities which screen children's hearing at or shortly after birth. [9917]

Mr. Boateng: Most health authorities screen children who are at risk of permanent childhood hearing impairment soon after birth. We are currently considering ways in which the screening system for children with hearing impairment can be improved and extended, so that more children with PCHI can be identified and treated earlier in life. The Medical Research Council's Institute of Hearing Research recently published a report on the national provision of neonatal screening for hearing impairment, which we shall take into account. The report, entitled, "Critical Review of the Role of Neonatal Screening in the Identification of Childhood Hearing Impairment", will be placed in the Library shortly.

FOREIGN AND COMMONWEALTH AFFAIRS

Employment Advertisements

Ms Perham: To ask the Secretary of State for Foreign and Commonwealth Affairs how often since 1992 his Department has been responsible for employment advertisements which contained age restrictions on those who could apply. [9499]

Mr. Tony Lloyd: Since 1992, this Department has been responsible for five employment advertisements which contained age restrictions and six others which gave preferred age ranges.

Bletchley Park Spy

Mr. Shepherd: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent actions have been taken to identify the Soviet spy at Bletchley Park codenamed Baron; and if he will make a statement. [9766]

Mr. Robin Cook: It is long-standing practice not to disclose the detail of such operations by the security and intelligence agencies.

Mr. Shepherd: To ask the Secretary of State for Foreign and Commonwealth Affairs for what reason the Venona intercept of 3 April 1941, recently released to the Public Record Office, has been redacted to eliminate annotations referring to the Soviet source codenamed Baron. [9765]

Mr. Cook: There was no such redaction. When the decrypt in question was issued, the identity of Baron was unknown. Practice in such cases at the time was either to confirm in footnotes that an identity was unknown or simply to leave a cover name with no explanation; the latter course was taken in the case of the 3 April 1941 message.

Contentin Peninsula

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs is he will issue guidance to British holidaymakers going to the Cotentin peninsula in Normandy, following the announcement by the French Environment Minister on 10 July banning fishing and swimming near the La Hague nuclear reprocessing plant. [9932]

Mr. Fatchett: I am grateful to my hon. Friend for bringing this matter to my attention.

We have amended our travel advice notice to include a warning on the restrictions imposed by the French authorities.

Construction Sites (Germany)

Mr. Sheerman: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps his Department is taking to encourage the German Government to ensure that construction sites employing British labourers conform to the necessary safety standards. [9781]

Mr. Doug Henderson: Building sites in Germany are covered by the requirements of EU health and safety directives. Detailed arrangements for enforcement of the directives are a matter for member states themselves. But both the UK and the Commission try to promote effective enforcement. In 1995, the Commission formalised a senior labour inspectors committee to look at these issues, and the UK has had some success in using this committee to promote the development of common principles of inspection.

International Financial Stability

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs what role the European Commission played in establishing an agreement on international financial stability at Denver; what discussions were held on economic and monetary union; and if he will make a statement. [9646]

Mr. Tony Lloyd: President Santer and Commissioner de Silguy took part in discussions of a range of economic subjects with Heads of State and Government and Finance Ministers at the Denver summit. I refer the hon. Member to the statement made by my right hon. Friend the Prime Minister on 24 June, *Official Report*, columns 671-89.

UN Trusteeship Council

Sir Geoffrey Johnson Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the role of the UN Trusteeship Council. [8369]

Mr. Tony Lloyd: We believe that the UN Trusteeship Council has served a useful purpose, and has completed the task entrusted to it under the UN charter. We are considering the UN Secretary-General's proposals to reconstitute it as an environmental forum.

Dependencies

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will convene a meeting of the Chief Ministers or representatives of elected members on the legislative councils of the dependencies during the forthcoming year. [8384]

Mr. Tony Lloyd: The Chief Ministers of the dependent territories met in London in 1995 and they will be coming to a conference here next year.

Illicit Weapons Transfers

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what response the United Kingdom Government have made to the note verbale of the Secretary-General of the United Nations of 23 January 1996, pursuant to UNGA 49/75M of 15 December 1994, which sought the views of member states on effective ways and means of collecting weapons transferred illicitly. [8997]

Mr. Tony Lloyd: The then Government submitted their reply on 30 April 1996 to the Secretary-General's note verbale of 23 January 1996 which referred to UNGA 50/70J. This resolution, dated 12 December 1995, superseded resolution 49/75M of 15 December 1994.

We are fully committed to helping to tackle problems caused by illicit arms transfers. To this end, we strongly support the EU programme for the prevention and combating of illicit trafficking in conventional arms which was agreed on 26 June 1997 and intend to take it forward during our presidency of the EU in the first half of 1998.

Indonesia

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs when he intends to report to the house the findings of his Department's internal investigation announced on 12 February into the use of British-supplied water cannon in Indonesia. [9115]

Mr. Fatchett: One of our first acts on taking office was to call for an early report on the alleged use of UK-supplied water cannon in summer 1996. We are now studying the information available. No firm conclusions have yet been drawn.

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library the legal opinion his Department obtained on the sale of Hawk aircraft to Indonesia and the possible cost of revoking licences previously given. [10259]

Mr. Fatchett: No. It has not been the usual practice of successive Governments to make available to the House legal advice received in any area.

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what evidence he has evaluated on the use of Hawk aircraft in East Timor since 1994; and if he will make a statement. [10261]

Mr. Fatchett: We are currently studying all the information available to us. No firm conclusions have yet been drawn.

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received in respect of external legal opinions on the cost of revoking licences previously given for the export of Hawk aircraft to Indonesia; and if he will make a statement. [10263]

Mr. Fatchett: We have received representations from hon. Members and non-governmental organisations about revocation which have included legal opinions. Any decision to revoke an export licence issued before 1 May would be announced to the House.

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the compliance of the sale of Hawk aircraft to Indonesia with the Government's policy of taking account of human rights in respect of the export of arms and equipment. [10269]

Mr. Fatchett: We have serious concerns about the human rights situation in both Indonesia and East Timor. We are currently studying all the information available to us in relation to allegations about the use of Hawk in East Timor. No firm conclusions have yet been drawn.

Bosnia

Mr. Mullin: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Organisation for Security and Co-operation in Europe mission to Bosnia regarding the registration of housebound and disabled citizens for the forthcoming municipal elections; and if he will make a statement. [9602]

Mr. Tony Lloyd: We discussed this issue with the OSCE mission in Sarajevo on 23 June, and subsequently wrote to it to ask that further thought be given to enabling housebound and disabled citizens to register during the appeals period, and to vote at home under international supervision.

Government Communications Headquarters

Mr. Casale: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to review the GCHQ nationality rules requiring parents, step-parents or guardians of applicants for employment to have been Commonwealth citizens or Irish citizens resident in the United Kingdom. [9824]

Mr. Robin Cook: GCHQ is in the process of revising its nationality rules, including the rule dealing with the nationality of a prospective employee's parents, and will be submitting its proposals to Ministers shortly.

Kalahari Bushmen

Sir John Stanley: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports his Department has received in respect of plans by the Botswanan authorities to move Kalahari bushmen out of the central Kalahari game reserve; and if he will make a statement. [9920]

Mr. Tony Lloyd: The Botswana Government have outlined plans for the bushmen who live on and off the central Kalahari game reserve. They have assured us that no one would be evicted from the reserve. Our high commissioner visited the central Kalahari area earlier this month and found no evidence that bushmen had been forced away from the reserve. He is consulting the Minister of Local Government in Botswana with responsibility for the bushmen, to ensure that plans for managing the move of those bushmen who have elected to leave are adequate.

Hungary

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs what studies have been made of the practical problems that arise from Hungary's accession to NATO; what discussions have been undertaken with non-NATO countries in the region to establish *(a)* a land or air corridor and *(b)* a pipe transit; and if he will make a statement. [9624]

Dr. Reid: I have been asked to reply on behalf of the Secretary of State for Foreign and Commonwealth Affairs.

Geographical location was one of the factors addressed in the NATO studies which preceded the decision to invite Hungary, with Poland and the Czech Republic, to begin accession talks. The process of preparing for their accession will include continuing work within NATO on the military implications of enlargement. This work will reflect the Alliance's intention of carrying out its collective defence and other missions by ensuring the necessary levels of interoperability, integration and capability for reinforcement. I am not aware that any formal discussions have so far taken place with non-NATO countries on these issues.

DEFENCE

Defence Evaluation and Research Agency

Mr. Matthew Taylor: To ask the Secretary of State for Defence in which scientific journals and other open publications and on what dates staff from the sea systems sector site of the Defence Evaluation and Research Agency at Alverstoke have published papers since January 1993. [9470]

Mr. Spellar: This is a matter for the Defence Evaluation and Research Agency. I have asked the chief executive, DERA, to write to the hon. Member.

Letter from John Chisholm to Mr. Matthew Taylor, dated 23 July 1997:

I am replying to your letter to the Secretary of State for Defence about open publications by staff from the Sea Systems Sector at Alverstoke as this matter falls within my area of responsibility as Chief Executive of the Defence Evaluation and Research Agency.

Since January 1993 staff from Diving and Life Support Systems and the Submarine Group based at Alverstoke have published papers in the following scientific journals and other open publications.

Journals and publications

1993	
June	Undersea and Hyperbaric Medicine Supplement
November	Proceedings Subtech '93, Society for Underwater Technology, Volume 31, Aberdeen
1994	
June 22–26	Undersea and Hyperbaric Medical Society, Denver, Colorado
July	Proceedings Undersea Defence Technology 1994, London
1995	
	Journal of the Society for Underwater Technology Volume 20, No. 4
	Journal of the Society for Underwater Technology Volume 21, No. 1
July	Proceedings Undersea Defence Technology 1995, Cannes, France
November	Journal of Naval Science Volume 21, No. 4
1996	
February	Review article, Eureka magazine
March	Proceedings of the Occupational Health Offshore conference, Health and Safety Executive, Aberdeen
May	Review article, Opto and Laser Europe
May	Undersea and Hyperbaric Medical Society, Annual Scientific meeting, Anchorage, Alaska
May	Undersea and Hyperbaric Medicine Supplement
July	Proceedings Undersea Defence Technology 1996, London
October	Proceedings of the 7th International Conference on Environmental Ergonomics, Eds Y Shapiro, D.S. Moran, Y. Epstein, Jerusalem, Israel
December	British Medical Ultrasound Society Proceedings
1997	
April	Journal of Defence Science, Volume 2 (2)
June	Underwater optics II conference, Aberdeen University
June	Undersea and Hyperbaric Medicine Supplement

I hope this information is helpful.

Equipment

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will list those weapons and terms of defence equipment costing in excess of £100 million which have been delivered on time and within the original budget since 1990. [8131]

Mr. Spellar: Information on the largest defence equipment projects, including comparisons between original and present estimates of costs and time scales, is given annually to Parliament in the Comptroller and Auditor General's reports on the Ministry of Defence "Major Projects Report", known before 1993 as the "Major Projects Statement". Copies of these are in the Library of the House.

Eurofighter

Mr. Hancock: To ask the Secretary of State for Defence what assessment he has made of the design of the software for the Eurofighter. [8654]

Mr. Spellar: The software element in the Eurofighter is fully assessed at key stages in its development and during integration to ensure that performance and flight safety requirements are met. The development programme is proceeding satisfactorily.

Royal Yacht

Mr. Gordon Prentice: To ask the Secretary of State for Defence what assessment he has made of the advantages of the proposals for a replacement royal yacht wholly financed by the private sector; and if this would include maintenance, staffing and other running costs. [9089]

Dr. Reid: The Government are currently considering the requirement for a replacement royal yacht and will announce their decision in due course.

Sea Harrier Replacements

Mr. Hancock: To ask the Secretary of State for Defence if he will make a statement on the Sea Harrier replacement study; and when he expects the study to be completed. [9419]

Mr. Spellar: Work is under way to consider whether and how to replace the capability currently provided by the Sea Harrier when these aircraft reach the end of their service lives early next century. As part of this work, we are participating in the four-year concept demonstration phase of the US joint strike fighter programme which began last November and is aimed at developing a family of advanced combat aircraft in approximately the right time scale. This phase is expected to be completed around the turn of the century. We are also investigating other possible options.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Defence if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10194]

Dr. Reid *[holding answer 22 July 1997]:* The purpose of the Strategic Defence Review is to reassess our essential security interests and defence needs, to ensure that the United Kingdom's defence capabilities are matched to the changed strategic setting. Work on the review is envisaged to be completed around the turn of the year.

CULTURE, MEDIA AND SPORT

Commercial Lobbyists

Mr. Campbell-Savours: To ask the Secretary of State for Culture, Media and Sport (1) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have met commercial lobbyists to discuss matters relating to the business of his Department; and if he will introduce a register of such meetings; [8075]

(2) on what dates since 1 May *(a)* Ministers and *(b)* officials in his Department have attended meetings with organisations representing (i) commercial and (ii) non-commercial interests organised by commercial lobbying firms; and if he will introduce a register of such meetings. [8076]

Mr. Chris Smith: As my right hon. Friend the Prime Minister explained in response to my hon. Friend the Member for Newport, West (Mr. Flynn) on 2 June 1997, *Official Report,* column *99,* Ministers and officials in the Department receive deputations from many groups who are concerned to press their own interests or those of their clients, which Ministers and officials take due care to consider within the wider public interest and Government policy. As it is not practicable to distinguish particular groups as lobbyists, the Department cannot keep a register of such meetings.

Members' Interests

Mr. Campbell-Savours: To ask the Secretary of State for Culture, Media and Sport if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. Members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8074]

Mr. Chris Smith: The first report from the Committee on Standards in Public Life—Cm 2850—recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

Mr. Campbell-Savours: To ask the Secretary of State for Culture, Media and Sport on what occasions *(a)* Ministers and *(b)* officials have refused to (i) arrange and (ii) attend meetings with hon. Members to discuss matters relating to interests registered by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8077]

Mr. Smith: The first report from the Committee on Standards in Public Life—Cm 2850—made it clear that, when Members are meeting Ministers or others on topics in which they have na interest, the onus is on the Member to declare that interest not the Minister to know—paragraph 63 of Cm 2850. It is not practicable for Ministers and officials, amongst their other duties, to vet requests for meetings against the Register of Members' Interests. Should evidence of non-declaration emerge, or

contravention of the resolution of the House relating to delegations to Ministers, the matter would be brought to the attention of the Parliamentary Commissioner for Standards.

National Lottery

Ms Walley: To ask the Secretary of State for Culture, Media and Sport if he will list for each local authority area the number of awards made, the percentage they represent of the total sums, and the number of applications that were *(a)* successful and *(b)* unsuccessful, for each category of national lottery funding; and if he will make a statement. [8855]

Mr. Banks: To date, over £3.75 billion has been awarded to 24,561 projects throughout the United Kingdom. Each distributing body has provided the information on successful and unsuccessful applications by local authority area and these figures are summarised in the following table.

A complete list, including percentages, by local authority area will be placed in the Libraries of the House, as soon as the information is available.

Category	*Distributing body*	*Successful applications*	*Unsuccessful applications*
Arts	Arts Council of England	1,450	952
	Scottish Arts Council	316	122
	Arts Council of Wales	475	103
	Arts Council of Northern Ireland	253	60
Sub total		2,494	1,237
Sports	English Sports Council	2,192	1,230
	Scottish Sports Council	339	238
	Sports Council for Wales	192	39
	Sports Council for Northern Ireland	266	55
Sub total		2,989	1,562
Heritage	Heritage Lottery Fund	1,043	651
Millennium	Millennium Commission	113	1,797
Charities	National Lottery Charities Board	8,486	31,013
Grand total		15,125	36,260

Figures as at 15 July 1997.

Debt Payment

Mrs. May: To ask the Secretary of State for Culture, Media and Sport what is the policy of his Department on the timely payment of debts; and what is his Department's record on the payment of debts in the current financial year. [9527]

Mr. Tom Clarke *[holding answer 18 July 1997]:* All Departments are required to pay all their bills within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Information on payment performance for the current financial year could be provided only at disproportionate cost. The Government will publish a league table of departmental payment performance for 1996–97 in the autumn.

Bicycle Parking Spaces

Mr. MacShane: To ask the Secretary of State for Culture, Media and Sport if he will arrange for bicycle parking spaces to be provided outside his Ministry. [9980]

Mr. Tom Clarke: My Department has existing secure storage for bicycles in an underground car park at one of our headquarters buildings for use by all staff.

SCOTLAND

Parliamentary Constituencies (Data)

Mr. David Marshall: To ask the Secretary of State for Scotland what categories of information and statistics his Department collects in relation to each parliamentary constituency. [8246]

Mr. Wilson: Currently, the only information which is specifically collected for each parliamentary constituency relates to electoral statistics. In addition, the Scottish Office compiles, and has access to, a wide range of statistical databases which hold information with a geographical reference allowing analyses by parliamentary constituency, from which summary information is available upon request. I will write to my hon. Friend with a list of the statistical information that is published by the Scottish Office for each parliamentary constituency. I shall arrange for a copy of the letter to be placed in the Library of the House.

Local Government Reorganisation

Mr. Gorrie: To ask the Secretary of State for Scotland what estimate he has made of Scottish local authorities *(a)* savings and *(b)* additional expenditure arising from local government reorganisation in the years 1995–96, 1996–97, 1997–98, 1998–99 and 1999–2000. [8196]

Mr. Chisholm *[holding answer 21 July 1997]:* The previous Administration made certain assumptions in setting the last three local government finance settlements and the planned figures for the next two years. The Government do not endorse those assumptions, but we are committed to live within the existing public expenditure control totals for this year and next. Within those totals we have, however, allocated an additional £89 million for schools in 1998–99 to reflect the priority we attach to education. My right hon. Friend has made it clear that this will be the only change of substance to the forward expenditure plans for local government current expenditure in 1998–99.

Erskine Bridge

Mr. Godman: To ask the Secretary of State for Scotland what was the final cost of the repairs to the Erskine bridge following the accident involving an off-shore installation under towage; what contributions to the cost of repairs have been *(a)* sought and *(b)* obtained from those deemed to be at fault; and if he will make a statement. [9090]

Mr. Chisholm: The final cost of the repairs to the Erskine bridge together with other ancillary costs related to the closure of the bridge is in the region of £3.85 million excluding VAT. Letters intimating claims in principle had previously been issued to those parties who appear to be responsible for the incident. None of the parties has admitted liability and no costs have been recovered. The next steps in the process of recovering the costs, including legal action if necessary, will commence in August 1997.

Press Releases

Mr. Chidgey: To ask the Secretary of State for Scotland how much his Department spends on biking press releases to *(a)* hon. Members and *(b)* other individuals or groups, each time his Department issues a press release; how many such press releases were issued by his Department (i) in the period 1 May to 1 July and (ii) in the period 1 January to 1 March; and if he will review his Department's use of couriers to deliver press releases and investigate the possibility of using fax or e-mail [8814]

Mr. Dewar *[holding answer 17 July 1997]:* My Department does not use couriers to deliver press releases to hon. Members or to other individuals or groups. Any such press releases are sent by electronic or surface mail. With effect from 1 October 1997, the routine use of surface mail will cease and all press releases will be issued by electronic mail.

Employment Advertisements

Ms Perham: To ask the Secretary of State for Scotland how often since 1992 his Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9508]

Mr. Dewar: Complete records of recruitment activity are not available before April 1993, when the Scottish Office centralised its recruitment function. In the period 1 April 1993 to 30 June 1997, the Scottish Office ran 254 advertisements, none of which contained age restrictions.

Public Defender Service

Mr. Mitchell: To ask the Secretary of State for Scotland if he has determined the criteria by which the pilot scheme for a Public Defender Service is to be judged. [9859]

Mr. McLeish: The criteria will cover cost effectiveness, quality of services, client satisfaction and contribution to the efficiency of the criminal justice system. These criteria will be subject to discussion with the Scottish Legal Aid Board and the Law Society of Scotland.

Rural Local Authorities (Fuel Costs)

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to compensate rural local authorities for the increase in the price of vehicle fuel announced in the Budget statement. [9617]

Mr. Chisholm: The increase in the price of vehicle fuel forms a significant part of the Government's environmental strategy and aims to reduce carbon dioxide emissions by encouraging lower fuel consumption. Local government has its part to play and my right hon. Friend has no plans to compensate rural local authorities beyond the benefit they already gain in the distribution of grant for rural factors such as population sparsity and weighted road length. In addition, local authorities will benefit directly from the other measures announced in the Budget: the additional £89 million current expenditure for schools next year; and the £8.9 million of capital resources this year with a further £26.7 million in each of the four subsequent years, also for education.

Travel to London

Mr. Gorrie: To ask the Secretary of State for Scotland what is the annual cost of travel of Ministers and civil servants between Scotland and London. [10171]

Mr. Dewar: From January to December 1996, the annual cost of travel of Scottish Office Ministers and civil servants between Scotland and London was £1,869,218.

Children (Scotland) Act 1995

Mr. Gorrie: To ask the Secretary of State for Scotland what estimates he has received from each council of the additional costs to it of giving full effect to the Children (Scotland) Act 1995; and what funds each council has allocated to give effect to the Act. [9618]

Mr. Galbraith: The information is not available in the form requested but the Convention of Scottish Local Authorities has estimated that £27 million is required to implement the Act's provisions.

Rented Housing

Mr. Gorrie: To ask the Secretary of State for Scotland how many houses for *(a)* social rent and *(b)* market rent have been completed in each council area in each of the last five years by (i) local authorities, (ii) housing associations and (iii) other sources. [9619]

Mr. Chisholm: Information on new house building by local authorities and the private sector is collected centrally from local authorities. Scottish Homes provides similar information in respect of housing associations.

The table gives the information available on the number of dwellings completed for *(a)* social rent by (i) local authorities and (ii) housing associations over the period 1991–92 to 1995–96.

Reliable information on new dwellings completed by other sources for both social and market rent is not available.

New dwellings completed for (a) social rent by (i) local authorities and (ii) housing associations over the period 1991–92 to 1995–96

District	1991–92		1992–93		1993–94		1994–95		1995–96	
	Local authority	Housing associations	Local authority	Housing associations	Local authority	Housing associations	Local authority	Housing associations	Local authority	Housing associations
Total	1,030	3,300	574	3,426	526	3,514	729	3,363	310	5,793
Borders										
Berwickshire	29	—	—	14	19	—	14	—	—	32
Ettrick and Lauderdale	14	—	6	—	4	—	—	—	2	128
Roxburgh	—	84	—	41	—	—	—	—	—	66
Tweeddale	6	6	—	20	—	—	—	—	—	15
Central										
Clackmannan	—	29	—	52	—	—	—	126	—	—
Falkirk	—	115	—	43	—	78	—	35	—	72
Stirling	—	87	—	74	—	92	4	6	—	73
Dumfries and Galloway										
Annandale and Eskdale	45	11	6	8	33	—	38	—	8	22
Nithsdale	10	25	32	61	18	42	—	26	—	45
Stewartry	10	7	16	—	13	26	24	11	13	25
Wigtown	—	59	18	50	20	60	20	—	—	16
Fife										
Dunfermline	—	64	—	51	—	137	—	61	—	95
Kirkcaldy	99	87	—	62	—	75	—	109	—	77
North-east Fife	33	62	—	42	—	96	—	19	—	47
Grampian										
Aberdeen	62	40	73	145	48	34	20	—	30	259
Banff and Buchan	17	31	—	52	57	52	57	—	18	11
Gordon	94	5	22	20	—	12	—	17	—	29
Kincardine and Deeside	50	—	60	—	66	19	37	—	10	62
Moray	54	21	—	38	30	37	44	—	3	20
Highland										
Badenoch and Strathspey	6	4	8	—	—	23	8	10	—	8
Caithness	4	16	—	—	2	6	6	—	—	—
Inverness	99	21	46	47	85	31	114	32	18	21
Lochaber	—	4	4	16	—	30	14	52	—	3
Nairn	8	—	—	—	4	28	25	—	6	8
Ross and Cromarty	27	16	13	11	56	34	8	—	—	26
Skye and Lochalsh	14	41	2	6	7	21	—	28	13	4
Sutherland	19	—	5	—	3	—	2	4	9	12
Lothian										
East Lothian	10	18	17	34	—	47	—	53	—	59
Edinburgh	—	254	—	402	—	168	—	420	—	777
Midlothian	16	42	22	227	12	17	26	9	12	77
West Lothian	—	17	—	38	—	86	21	71	33	108
Strathclyde										
Argyll and Bute	20	46	38	36	4	100	—	81	—	14
Bearsden and Milngavie	—	—	16	—	—	—	10	—	10	—
Clydebank	—	362	—	125	—	120	—	84	—	52
Clydesdale	—	40	—	27	—	26	18	38	2	140
Cumbernauld and Kilsyth	—	144	—	15	—	—	—	—	—	10
Cumnock and Doon Valley	—	31	—	28	—	—	29	11	—	—
Cunninghame	24	56	20	49	—	15	—	129	8	183
Dumbarton	—	20	—	—	—	57	—	1	—	85
East Kilbride	—	—	—	—	—	—	—	152	—	—
Eastwood	31	23	—	—	—	—	—	—	—	11
Glasgow	—	509	—	685	—	457	—	326	27	1,440
Hamilton	—	33	—	—	—	190	12	56	—	92
Inverclyde	37	—	—	27	—	—	—	158	—	342
Kilmarnock and Loudoun	—	58	—	10	—	96	7	35	4	75
Kyle and Carrick	25	10	28	33	—	64	20	65	—	116
Monklands	15	59	55	—	—	129	71	133	—	60
Motherwell	—	101	—	94	—	345	—	254	—	97
Renfrew	—	80	—	149	—	67	39	133	53	396
Strathkelvin	—	50	—	—	—	—	—	37	31	34
Tayside										
Angus	57	76	20	81	—	36	37	80	—	124
Dundee	—	166	—	212	21	348	—	325	—	148
Perth and Kinross	—	177	—	240	—	162	—	131	—	126

New dwellings completed for (a) social rent by (i) local authorities and (ii) housing associations over the period 1991–92 to 1995–96

District	1991–92		1992–93		1993–94		1994–95		1995–96	
	Local authority	Housing associations	Local authority	Housing associations	Local authority	Housing associations	Local authority	Housing associations	Local authority	Housing associations
Islands Councils										
Orkney Islands	3	61	5	39	—	36	—	27	—	29
Shetland Islands	71	—	40	5	12	—	—	4	—	—
Western Isles	21	32	2	17	12	15	4	14	—	22

Mr. Gorrie: To ask the Secretary of State for Scotland what is the Government's target for the number of houses to be built in Scotland for social rent *(a)* in 1997 and *(b)* in 1998. [9621]

Mr. Chisholm: The Government do not set targets for the number of houses to be built in Scotland. We have, however, approved a target for Scottish Homes to provide 2,400 houses for rent by housing associations in 1997–98. Local authorities also plan to build a total of 402 houses in 1997–98 for social rent.

EU Afforestation Budget

Sir Richard Body: To ask the Secretary of State for Scotland how much money was allocated to the United Kingdom out of the European Union afforestation budget for 1993 to 1997; what are the criteria for such funding; which types of trees are subsidised; over what period the funds are paid; what percentage of the estates concerned are *(a)* privately owned and *(b)* public parks; and if he will list them. [10210]

Mr. Chisholm *[holding answer 22 July 1997]:* The United Kingdom has been allocated 61.6 million ECU from the European Union's afforestation budget for the period 1993 to 1997 to co-finance work carried out to establish and manage conifer and broadleaf woodlands on former agricultural land. Such work is approved under the woodland grant scheme and the farm woodland premium scheme; grants under the former are paid over a period of five years while annual payments under the latter cover a period of 10 to 15 years. Several thousand payments are made each year under these schemes and a list of all the cases involved could only be produced at disproportionate cost.

As the EU funding is for work carried out on former agricultural land, woodlands in public parks are not generally eligible. Further details of the woodland grant scheme and farm woodland premium scheme are given in explanatory booklets which are held in the Library of the House.

Juveniles

Mr. McNamara: To ask the Secretary of State for Scotland what representations he has received in the last year from outside bodies in respect of the treatment of juveniles in detention. [9345]

Mr. McLeish: The Department has not received representations from outside bodies on the treatment of young people aged 17 or under who have been placed in secure accommodation or detained in young offenders institutions or prisons.

Mr. McNamara: To ask the Secretary of State for Scotland how many deaths of juveniles in detention have been recorded in the last year; what method of inquiry was instigated into the deaths; and what were the causes of the deaths. [9262]

Mr. McLeish: There were no deaths of young people under the age of 17 while living in secure units, or when detained in young offenders institutions or prison.

Mr. McNamara: To ask the Secretary of State for Scotland how many institutions hold juvenile detainees; and if he will list these indicating their type and the number of juveniles admitted to each in the last year for which figures are available. [9244]

Mr. McLeish: The number of young people placed in secure accommodation for the year ending 31 December 1996 and the number of receptions of young prisoners under 16 to the Scottish penal system in the year ended 31 March 1997 is given in the table.

Name and type of unit	Number of admissions
Secure units	
St. Mary's Kenmure, Bisopbriggs	[1]64
Rossie School, Montrose	[1]52
Kerelaw School, Stevenston	[1]32
Others[2]	[1]73
Total	[1]221
Penal Establishments	
Aberdeen	2
Barlinnie	1
Cornton Vale	2
Edinburgh	9
Greenock	4
Inverness	2
Longriggend	45
Perth	6
Polmont Young Offenders Institution	3
Total	74

[1] Provisional figures.
[2] Braid Unit, Howdenhall, Edinburgh.
Guthrie Unit, St. Katherine's, Edinburgh.
Rimbleton House, Glenrothes.

Mr. McNamara: To ask the Secretary of State for Scotland if he will make a statement on the inspection and supervision systems for juvenile institutions. [9246]

Mr. McLeish: All local authority secure units for young people are inspected twice a year by local authority inspection units. All secure accommodation for young people, whether run by local authorities or by voluntary organisations are inspected on a rolling programme by the social work services inspectorate.

All prisons, young offenders institutions and legalised police cells may be inspected by Her Majesty's chief inspector of prisons in Scotland.

Mr. McNamara: To ask the Secretary of State for Scotland how many children currently accompany mothers in detention. [9248]

Mr. McLeish: On 11 July 1997 there was one mother in detention accompanied by her baby, at HM institution Cornton Vale.

Mr. McNamara: To ask the Secretary of State for Scotland how many juveniles are detained in each institution by *(a)* age and *(b)* gender. [9250]

Mr. McLeish: The tables contain the age and gender profiles of those young people placed in secure accommodation and in the Scottish penal establishment on 31 March 1996—provisional figures—and 11 July 1996 respectively.

	Male	*Female*	*Total*
Secure unit			
Rossie	18	4	22
St. Mary's Kenmure	21	3	24
Kerelaw	15	9	24
Others[1]	6	8	14
Total	60	24	84
HM Prison			
Longriggend	3	0	3

[1] Braid unit, Howdenhall, Edinburgh (five places). Guthrie unit, St. Katherine's, Edinburgh (seven places). Rimbleton house, Glenrothes (two places).
Those held in Longriggend on 11 July were under 16.

Secure unit	*8–11*	*12*	*13*	*14*	*15*	*16*	*17*	*Total*
Rossie	0	1	1	4	14	2	0	22
St. Mary's Kenmure	0	0	1	5	15	3	0	24
Kerelaw	1	0	1	7	11	4	0	24
Others[1]	0	0	3	6	4	1	0	14
Total	1	1	6	22	44	10	0	84

[1] Braid unit, Howdenhall, Edinburgh (five places). Guthrie unit, St. Katherine's, Edinburgh (seven places). Rimbleton house, Glenrothes (two places).

Mr. McNamara: To ask the Secretary of State for Scotland how many cases of malnutrition have been recorded in respect of juveniles in detention in the last year. [9252]

Mr. McLeish: There were no cases of malnutrition recorded in respect of young people placed in secure accommodation or detained in young offenders institutions or prison.

Mr. McNamara: To ask the Secretary of State for Scotland what screening, preventive care and medical care is provided for juveniles in detention. [9254]

Mr. McLeish: Young people have a medical examination at admission to secure accommodation and medical treatment as required thereafter either from their own general practitioner or a local doctor. Young people are referred for specialist treatment when appropriate. The care and placement of young people is subject to regular statutory review procedures and their health and development are considered during these reviews.

Rule 23 of the Prisons and Young Offenders Institutions (Scotland) Rules 1994 provides that the prison medical officer will have responsibility for the general care of the health of every prisoner. Appropriate medical services and facilities for the prevention of illness and their aftercare are provided for the very small number of young prisoners under 16 detained from time to time in prison.

Mr. McNamara: To ask the Secretary of State for Scotland what social and educational assistance is provided for juveniles in detention. [9256]

Mr. McLeish: Each secure unit has education facilities either on site or available to it. The larger units have education on the premises and can offer full educational programmes. Her Majesty's inspectors of schools inspect the provision of education in secure units. A variety of activities are run outside the school programme as part of the young person's social education.

Young prisoners under 16 in Scottish penal establishments have access to education, counselling, and a range of social work services during the generally short time they are held by the Scottish Prison Service.

Mr. McNamara: To ask the Secretary of State for Scotland if he will list each incident where juveniles have been detained for reasons other than suspicion or guilt of criminal offences in the last five years. [9305]

Mr. McLeish: Young people of 17 or under may be placed in secure accommodation because they are a risk either to others or to themselves. The majority of those in secure accommodation have committed offences but figures are not available centrally.

Mr. McNamara: To ask the Secretary of State for Scotland (1) if he will make a statement on the different prison regimes for juveniles; [9245]

(2) what types of prison work are *(a)* available and *(b)* compulsory for juveniles in detention; [9257]

(3) what is the ratio of prison staff to children in detention; [9260]

(4) in what circumstances *(a)* juveniles in detention may be detained in the same cell as adults, *(b)* juveniles on remand may share the small cell as sentenced juveniles, *(c)* juvenile first offenders may share the same cell with persistent offenders and *(d)* juvenile females may share the same cell with male prisoners. [9289]

Mr. McLeish: The term "juvenile" is not used in the legislation regulating Scottish penal establishments. The Criminal Justice (Scotland) Act 1963 provided for the detention in young offenders institutions of persons of or

over 17 years of age but under 21. The lower age limit was reduced to 16 in the Social Work (Scotland) Act 1968.

Very few young prisoners under 16 are accommodated in the prison system. On 11 July 1997, there were three young male prisoners under 16 in separate accommodation at HM prison Longriggend in a hall which normally holds roughly 50 young male persons aged 16 to 21 on remand. The staffing complement for the hall is nine.

The average period of time spent by young prisoners under 16 in the prison system is very short, and they are not required to work. They do have access to education, counselling, recreation, physical education and library facilities. There are close links with social work services.

Rule 14 of the Prisons and Young Offenders Institutions (Scotland) Rules 1994 requires the governor of an establishment, so far as is reasonably practicable, to keep civil prisoners, untried prisoners and young prisoners apart from other categories. Every effort is made to ensure that a young prisoner under 16 would not share a cell with a prisoner of a different category.

Rule 114 provides that females shall be accommodated in rooms or cells which are entirely separate from rooms or cells used for the accommodation of males. No female would share a cell with a male.

Mr. McNamara: To ask the Secretary of State for Scotland how many juveniles are in preventive detention. [9247]

Mr. McLeish: There are no young people held in within the prison system on preventive detention. Of those young people under 16 who are placed in secure accommodation, a proportion are placed there to prevent further offending. The number of young people placed in secure accommodation for this reason is not held centrally.

Mr. McNamara: To ask the Secretary of State for Scotland if he will make a statement on the minimum age for the detention of juveniles. [9249]

Mr. McLeish: The age of criminal responsibility in Scotland is eight so a young person may be placed by the courts in a secure unit from this age. However, in practice the minimum age of those placed in secure accommodation is 11. The minimum age for the detention of young people in the Scottish penal system is 14.

Mr. McNamara: To ask the Secretary of State for Scotland what proportion of juveniles in detention are accommodated in individual cells. [9251]

Mr. McLeish: No young person who is placed in secure accommodation is required to share a room. At 11 July, there were three young prisoners under 16 in the custody of the Scottish Prison Service, one in single cell accommodation, two sharing.

Mr. McNamara: To ask the Secretary of State for Scotland in what circumstances juveniles in detention *(a)* have free access to drinking water and *(b)* are able to shave themselves each day. [9253]

Mr. McLeish: Drinking water is freely available in secure accommodation. Young people are able to shave themselves each day.

In penal establishments during out-of-cell hours, drinking water is freely available in residential halls, work and recreational areas. At other times drinking water is available where there are in-cell facilities, or by the provision of water bottles. Shaving materials are provided as required.

Mr. McNamara: To ask the Secretary of State for Scotland how many visits juveniles in detention may receive each week. [9255]

Mr. McLeish: Visits to young people in secure accommodation are encouraged. The number varies and may be up to several visits in any week, including visits from relatives, friends, social workers and others.

The minimum visit entitlement for a convicted young prisoner under 16—who is also not untried—in a Scottish penal establishment is not fewer than two visits, each of not less than 30 minutes, in any period of seven consecutive days. The minimum entitlement for untried prisoners, including young prisoners under 16, is *(a)* a visit of at least 30 minutes duration on any day of the week other than a Saturday or Sunday; *(b)* where a person has not received a visit on every day of the preceding Monday to Friday, a visit of at least 30 minutes duration on a Saturday or a Sunday; and *(c)* at the discretion of the governor a visit of such duration as he thinks fit on a Saturday or Sunday.

Rights of the Child Convention

Mr. McNamara: To ask the Secretary of State for Scotland if he will make a statement on the consultation process involved in the UK fulfilling the reporting requirement relating to the UN convention on the rights of the child; and if he will make a statement on the impact on UK policy of adopting the convention and the practical measures necessary to implement it. [9263]

Mr. Galbraith: The United Kingdom's first report to the UN Committee on the Rights of the Child was published in February 1994. The Scottish Office and associated Departments contributed to the report co-ordinated by the Department of Health. In addition, a Scottish Office official attended the examination of the report by the UN committee in January 1995 in Geneva as part of the UK delegation of officials.

The convention has had an important impact on shaping policy in Scotland. The influence of the convention is particularly apparent in the Children (Scotland) Act 1995 which came fully into operation on 1 April 1997 and the secondary legislation which flowed from that. It has influenced my appointment as Minister for Children's Issues in Scotland. The first step in discharging this remit will be to have a fully comprehensive child-proofing policy for all Scottish Office Departments to ensure that they take into account the effects on children when developing policy.

Urban Regeneration Schemes

Mr. Gorrie: To ask the Secretary of State for Scotland if he will allow urban regeneration schemes to be eligible for grants from the national lottery. [9828]

Mr. Banks: I have been asked to reply.

A large number of the awards already announced by the lottery distributing bodies will be made a valuable contribution to urban regeneration. The White Paper "The People's Lottery", published on 21 July, makes clear the Government's objective that lottery funding within the existing good causes should contribute to regional and local strategies to encourage regeneration.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Local Government Finance

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions (1) what restrictions apply to the use by a local authority of capital receipts obtained from the large-scale voluntary transfer of its housing stock to housing companies; and if he will make a statement; [9093]

(2) what percentage of the total capital receipts from the large-scale voluntary transfer of its housing stock to housing companies is available to a local authority; and if he will make a statement. [9121]

Mr. Raynsford: Twenty-five per cent. of any capital receipt from a large-scale voluntary transfer is available immediately to spend on housing. If a local authority becomes debt free, at a later date, the remainder of the receipt then also becomes available to it to spend as it wishes. Currently this is subject to one restriction: that it may not be used to support local authority social housing grant. This is being reviewed.

Mr. Jones: To ask the Secretary of State for the Environment, Transport and the Regions in what circumstances a local authority is permitted to use moneys in its housing capital account to reduce its council tax; and if he will make a statement. [9122]

Mr. Raynsford: Capital resources can be used only to fund spending for capital purposes. However, the Secretary of State has powers, under section 40(6) of the Local Government and Housing Act 1989 to issue a direction to capitalise revenue expenditure. Where revenue expenditure is capitalised, there can be a saving to the local authority's revenue account which may enable it to reduce its council tax, or—for spending within the housing revenue account—reduce its council house rents.

Under the capital receipts initiative the Government will issue supplementary credit approvals to enable authorities to invest additional sums in housing. Where authorities incur additional spending under this initiative, they will receive revenue support in the normal way. There should be no effect on the level of council rents or council taxes.

Climate Change

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions if the Government support the European Union's objective in respect of the maintenance of world average temperatures. [8924]

Angela Eagle: The Government take the threat of climate change very seriously. We support the draft protocol to the climate change convention which the European Union has proposed. This includes a longer-term objective that global average temperatures do not exceed 2 deg C above the pre-industrial level.

Wind Farms

Mr. Evans: To ask the Secretary of State for the Environment, Transport and the Regions what applications are currently being processed for wind farm developments in England and Wales. [9072]

Mr. Raynsford: Applications for planning permission for wind farms with a capacity of 50 MW or less are normally made to and determined by local planning authorities. Planning applications for developments exceeding 50 MW require the consent of my right hon. Friend the President of the Board of Trade under section 36 of the Electricity Act 1989. I have been informed that she has one such application under consideration for a proposed wind farm at Keilder in Northumberland.

Housing Waiting Lists

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many people are on the housing waiting list of each local authority in Hampshire because they *(a)* are waiting for a transfer, *(b)* are homeless, *(c)* are waiting for elderly persons' accommodation and *(d)* live in unfit houses. [9402]

(2) how many people are on the housing waiting list in each local authority in the United Kingdom because they *(a)* are waiting for a transfer, *(b)* are homeless, *(c)* waiting for elderly persons accommodation and *(d)* live in unfit houses. [9688]

Mr. Raynsford: Local authorities in England report the numbers of households on their housing registers at 1 April each year in their annual housing investment programme—HIP1—returns. The latest available figures for the district councils in England and in Hampshire relate to the position on 1 April 1996 and are given in the 1996 "HIP1 All Items Print", a copy of which is in the Library.

These data do not include households on housing registers for transfer within an authority's stock, nor do they separately identify households who are homeless or are living in unfit houses. The information on households requiring specialised dwellings covers both the elderly and disabled.

For information about other parts of the United Kingdom, I refer the hon. Member to my right hon. Friends the Secretaries of State for Scotland, for Wales and for Northern Ireland.

Hostels (Planning Applications)

Mr. Gordon Marsden: To ask the Secretary of State for the Environment, Transport and the Regions what guidance his Department has given to local authorities on planning applications for change of use from class C1 properties to houses in multiple occupation hostels. [9492]

Mr. Raynsford: This Department wrote to chief planning officers in March 1994 explaining the provisions of the Town and Country Planning (Use Classes) (Amendment) Order 1994. The letter advised that planning permission would, in future, be required for a

material change of use from a hotel, boarding or guest house to a hostel and vice versa. Copies of the letter and related press notice have been placed in the House of Commons Library.

Council House Sales

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many council houses have been sold under the right-to-buy legislation since 1979 in each district council area in Hampshire; [9318]

(2) how many council houses have been sold under the right to buy since 1979 in each district council area in the United Kingdom. [9689]

Mr. Raynsford: Tables showing the available information on total right-to-buy sales in each English local authority for each financial year from 1979–80 are in the Library. The next quarterly update, including data for sales in the period January to March 1997, will be placed in the Library during August.

For information on sales elsewhere in the United Kingdom, I refer the hon. Member to my right hon. Friends the Secretaries of State for Scotland, for Wales and for Northern Ireland.

Right to Buy

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he will amend right-to-buy legislation to include all housing association tenants; and if he will make a statement. [9799]

Mr. Raynsford: The Housing Act 1996 introduced the right to acquire for housing association tenants. It applies to tenants of housing newly provided by registered social landlords with social housing grant on or after 1 April 1997, and to tenants of stock transferred from other public landlords on or after that date. The scheme is similar to the right-to-buy.

For tenants of existing stock, the voluntary purchase grant scheme, introduced on 1 April 1996, enables them to buy their home at a discount. Associations opt into this scheme at their discretion.

Secure tenants of non-charitable housing associations, that is those who took up their tenancies before 1989, generally have the right to buy their homes under part V of the Housing Act 1985.

We have no plans to change this position.

Nuclear Discharges

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to the answer to the hon. Member for Great Grimsby (Mr. Mitchell), of 1 July, *Official Report*, column *128*, when he expects the review of policy in respect of the Ospar—Oslo and Paris—convention meeting in September will be completed; and if he will place in the Library a summary of the conclusions of the review on its completion. [9943]

Angela Eagle: The review of the UK positions on the issues to be discussed within the Ospar commission is to provide guidance for the UK representatives in those negotiations. I shall write to my hon. Friend outlining any major changes on which we decide, and will place a copy of the letter in the Library of the House. I do not expect such conclusions to be reached until shortly before the meeting.

Planning Process

Mr. Dawson: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will assess the advantages of imposing a moratorium on local authorities approving new developments at any stage of a local plan process between consultation and public inquiry; and if he will make a statement; [10110]

(2) if he will assess the advantages of imposing a moratorium on planning decisions pertinent to district-wide local plans at any stage prior to public inquiry; and if he will make a statement. [10111]

Mr. Raynsford *[holding answer 22 July 1997]:* No. The recently revised planning policy guidance note 1—"General Policy and Principles"—already contains guidelines which are designed to prevent decisions on major planning applications pre-empting decisions that are to be made in the course of an emerging development plan. In particular, it states that, where proposals for a development plan have been published for consultation, it may be justifiable to refuse planning permission on the grounds of prematurity where the proposed development is significant enough to predetermine decisions that are more properly taken in the context of the development plan.

During the development plan process, planning applications should continue to be considered in the light of current policies. However, account can also be taken of policies in emerging development plans which are going through statutory procedures towards adoption. The weight to be attached to such policies depends upon the stage of plan preparation or review, increasing as successive stages are reached. When planning permission is refused on the grounds of prematurity, the planning authority will need to demonstrate clearly how the grant of planning permission would have prejudiced the outcome of the development plan process.

Rate Support Grant

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each local authority the *(a)* rate support grant for 1997–98 and *(b)* rate support grant for 1998–99 as set out in the 1996 Red Book, HC90, Session 1996–97, and adjusted by the Budget statement of 2 July applying the distribution methodology used in the 1997–98 settlement and showing the percentage change between *(a)* and *(b)*. [9595]

Mr. Raynsford: Revenue support grant for each local authority for 1997–98 was set out in tables published by my Department on 27 January this year; they are available in the Library. No decision has yet been made on the level of revenue support grant for 1998–99.

EU Landfill Directive

Miss Melanie Johnson: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his Department's policy

towards the EU landfill directive, EC draft 6692/97; and when he expects the explanatory memorandum will be published. [9916]

Angela Eagle: A draft directive was published on 5 March. An interim explanatory memorandum was produced on 15 April. A full explanatory memorandum will be supplied to the scrutiny committees in the next few days.

The Government welcome the draft directive's main objectives: the stringent application of high environmental standards across Europe, and a reduction in methane emissions from landfill sites. However, the draft directive also contains proposals, including one for limits on the landfilling of biodegradable waste, which imply a substantial change in UK waste management practice. It is of particular concern, therefore, that there has been no detailed assessment by the Commission of the cost implications for those member states which, like the UK, have a heavy reliance at present on landfill as a means of disposal.

The Government would prefer that the directive focus more on the shared objective of reduction of greenhouse gas emissions, and less on prescribing detailed means to achieve that end. The Government will also be keen to ensure that rules on landfill management are stringent and are evenly applied across Europe, and that the directive does not hamper efforts to improve sustainability of waste management in this country.

Consultation Documents

Mr. Bercow: To ask the Secretary of State for the Environment, Transport and the Regions if he will ensure that copies of future consultation documents from his Department are distributed to all *(a)* county, *(b)* district, *(c)* borough and *(d)* town council offices and to all public libraries. [10242]

Angela Eagle: Copies of consultation documents from my Department are distributed to authorities, organisations and individuals which are most appropriate to the policy issues involved. The aim is to achieve the widest consultation while minimising the administrative burden and potential waste which would arise from automatic distribution to some 1,800 locations.

Consultation documents are, however, also publicised by press notice, on the Internet, through the publications lists of the departmental library and, for Command Papers, The Stationery Office. Individual copies are available on request from the Department's dispatch centres and, where appropriate, the Stationery Office bookshops.

English Partnerships

Mr. Quinn: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress of English Partnerships. [10478]

Mr. Caborn: I have today laid before Parliament English Partnerships' annual report and accounts for 1996–97, which set out their achievements last year. The report provides details of the agency's £235 million development programme and illustrates, from the 2,700 currently in progress, 40 projects spread across the English regions. The agency's key outputs for 1996–97 are as follows:

	Number
Jobs created/safeguarded	24,200
Land regenerated (hectares)	1,100
Housing units facilitated	5,200
Commercial/industrial floorspace developed (sq m)	910,000
Private finance attracted (£ million)	630
Lettings to new tenants	925

Copies of the annual report will be placed in the Libraries of both Houses.

Air Services

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what is the estimated overspill of passenger demand in relation to runway and terminal capacity at *(a)* Heathrow, *(b)* Gatwick and *(c)* Stansted in (i) 2005, (ii) 2010 and (iii) 2015 on the basis of his Department's forecasts of air traffic. [10069]

Ms Glenda Jackson: The Department's air traffic forecasts for the United Kingdom 1997 estimate passenger demand at London area airports as a whole to be 124 million in 2005, 153 million in 2010 and 184 million in 2015. The forecasts show that the London area airports taken together do not reach their assumed capacity until 2015. My Department does not produce forecasts for individual airports.

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what was the proportion of scheduled passengers arriving at Heathrow and Gatwick in *(a)* 1986 and *(b)* 1996 who were making immediate onward connections by air. [10081]

Ms Jackson: Figures are not available for 1986, but are for 1987. The proportion of total passengers making immediate onward connections by air at Heathrow airport in 1987 was 22.1 per cent. In 1996, it was 32.8 per cent. Of total passengers at Gatwick in 1987, 8.8 per cent. were making onward connections by air. In 1996, this proportion had risen to 17.3 per cent.

Birmingham Airport

Mr. John M. Taylor: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the ownership and value of the local authorities' 49 per cent. shareholding in Birmingham airport; and if he will encourage the local authorities concerned to reduce their stake. [9603]

Dr. Strang: No. This Government do not have a doctrinaire approach to the ownership of airports, and we see no reason to interfere with the arrangements which were entered into by the west midlands local authorities in March.

Birmingham Northern Relief Road

Mr. John M. Taylor: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the future roads programme with particular reference to the M6 Birmingham northern relief road. [9604]

Ms Glenda Jackson: I refer the hon. Member to the statement made by my right hon. Friend the Minister Transport on 19 June 1997, *Official Report*, column 278-79.

Oil Exploration

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what measures the Government are taking to protect the marine environment of the Atlantic frontier from contamination from oil drill cuttings and muds during current and future offshore oil exploration and production. [8988]

Mr. Battle: We are committed to reduce the discharge of oil-contaminated drill cuttings from offshore installations. From 1 January this year, an effective ban was imposed upon the discharge of these cuttings where oil-based mud is used. A phased reduction of discharges of most "synthetic" oil-based muds should result in their elimination from the UK continental shelf by the end of 2000.

INTERNATIONAL DEVELOPMENT

Street Children

10. **Mr. Ian Bruce:** To ask the Secretary of State for International Development what the Government are doing to promote schemes to help solve the problems of street children. [8365]

Mr. Foulkes: We are deeply concerned by the severe problems faced by street children who are often abused and made to work in appalling conditions or forced into prostitution. In addition to tackling the root cause, namely poverty, we support practical initiatives, providing viable alternatives to their existing means of survival. In addition to support through our bilateral programmes, the Department for International Development is supporting non-governmental organisation projects such as the Consortium for Street Children UK.

Women's Education

11. **Mrs. Fyfe:** To ask the Secretary for State for International Development what steps she is taking to widen educational opportunity for women in developing countries. [8366]

Mr. Foulkes: All our basic education projects aim to improve access for girls to education and to raise the levels of female literacy. We will increase the proportion of the aid budget spent on poverty-focused projects which include education projects such as our increase in aid to Africa in these areas by 50 per cent. over the next three years.

Strategic Defence Review

12. **Mr. Keith Simpson:** To ask the Secretary of State for International Development if she will make a statement on her Department's contribution to the strategic defence review. [8367]

13. **Mr. Gray:** To ask the Secretary of State for International Development what role her Department will play in the strategic defence review. [8370]

Clare Short: We are contributing to the review. Conflict prevention is an important part of the work of my Department and is clearly relevant to the review.

Global Free Trade

14. **Mr. Blunt:** To ask the Secretary of State for International Development what is her Department's policy towards the goal of global free trade. [8371]

Clare Short: I have already made it clear, and spelled out in a recent speech at the Institute of Directors, that we will work for an international trading environment that facilities the full integration of developing countries into the world trading system.

Indebted Poor Countries Initiative

15. **Mr. Spring:** To ask the Secretary of State for International Development if she will make a statement on the heavily indebted poor countries initiative. [8372]

Clare Short: It is, of course, my right hon. Friend the Chancellor of the Exchequer who leads on these issues. The Chancellor and I are strongly committed to working together to achieve speedy implementation of the heavily indebted poor countries initiative. Uganda has already qualified and we expect several other countries to be considered in the coming months. We believe the debt initiative to be an important element in our strategy to eradicate poverty.

Cambodia

16. **Mr. Mullin:** To ask the Secretary of State for International Development what is her Department's current policy on aid to Cambodia; and if she will make a statement. [8373]

Mr. Foulkes: We are continuing our programme, while keeping political developments under careful review. Our programme aims to reduce poverty and promote human development by supporting projects in health education, urban poverty and land mine clearance.

Bosnia

17. **Mr. Singh:** To ask the Secretary of State for International Development what discussions she has had regarding the progress of her Department's work in Bosnia. [8374]

Clare Short: I have had many discussions about my Department's work in Bosnia, with my representations of other government and international organised officials. We are determined to do all we can to achieve full implementation of Dayton and to make our assistance strictly conditioned on co-operation with Dayton.

UK Dependent Territories

18. **Mr. Ennis:** To ask the Secretary of State for International Development what assessment she has made of the priority to be given to future assistance to the United Kingdom's dependent territories. [8375]

Clare Short: The future assistance needs of the dependent territories will continue to be a priority for the Government. We are currently reviewing our policy and will set out our conclusions in the forthcoming White Paper.

Commonwealth Initiatives

19. **Mr. Simon Hughes:** To ask the Secretary of State for International Development what policies she plans to initiate or develop on a Commonwealth-wide basis. [8376]

Clare Short: The Government believe that the Commonwealth has the potential to play an important role in tackling a wide range of global issues. The forthcoming Commonwealth Heads of Government meeting in Edinburgh will provide an opportunity to develop Commonwealth-wide initiatives in areas such as economic reform, trade, investment and human rights. Work has already begun in these areas as part of the preparation for this meeting.

China (Population Control)

20. **Mrs. Ann Winterton:** To ask the Secretary of State for International Development what reports she has received concerning the number of women compulsorily sterilised or forced to undergo abortions in China through population control programmes supported by her Department. [8377]

Clare Short: I am aware of reports of compulsory sterilisation and abolition in China. The Department for International Development does not provide aid in support of China's population programmes. It does contribute—along with all other major donors—to the United Nations Population Fund and the International Planned Parenthood Federation, both of which work in China. Both conduct their programmes on principles opposed to any form of coercion in family planning. These organisations play an important role in promoting positive change in the implementation of population programmes in China.

UNESCO Membership

21. **Mr. Wells:** To ask the Secretary of State for International Development what will be the annual cost of UNESCO membership. [8378]

Clare Short: Our contribution for the period 1 July to 31 December 1997 will be around £5 million, to be met from the contingency reserve. Future annual contributions are estimated at £11 million and will be considered in the next resources round.

Land Mines

22. **Miss Kirkbride:** To ask the Secretary of State for International Development what support her Department is giving to demining organisations. [8379]

23. **Mr. Robathan:** To ask the Secretary of State for International Development what support her Department gives to organisations clearing mines. [8380]

Clare Short: The UK has committed over £31 million—including our share of European Community programmes—to humanitarian mine clearance activities since 1991.

Our current projects focus on the needs of vulnerable communities in the poorest and most severely affected countries. Resources are channelled through specialised non-governmental organisations and UN agencies. We are supporting efforts to speed up detection and clearance through improved technology but maintaining the high standards of reliability and safety required for humanitarian demining.

We also support capacity building for national and community-based demining activities to increase levels of participation in affected countries.

West Bank and Gaza Strip

24. **Mr. Burden:** To ask the Secretary of State for International Development what assessment she has made of the prospects for social and economic development in the west bank and Gaza strip. [8381]

Clare Short: Palestinian living standards have fallen substantially since the Oslo process began, largely due to the effects of border closures. The west bank and Gaza has the potential for rapid economic growth, but its social and economic development will continue to be constrained until there is an equitable settlement of the peace process.

Civil Service Development

25. **Mr. Sheerman:** To ask the Secretary of State for International Development if she will make a statement on the level of resources committed by her Department to strengthening the civil service in developing countries. [8382]

Clare Short: The United Kingdom committed £14 million of aid in 1996–97 in support of civil service reform in developing and transitional countries. I plan to work in partnership with countries to support and complement their policies of reform where their objectives are to ensure that government is efficient and to use savings for programmes of poverty elimination.

Know-how Fund

26. **Mrs. Dean:** To ask the Secretary of State for International Development if she will make a statement on the scope and role of the know-how fund. [8383]

Clare Short: The know-how fund has been and remains a provider of flexible and timely technical assistance to central and eastern Europe and central Asia. I am reviewing its activities as part of the process leading up to the publication of a White Paper in the autumn, to ensure that it is fully consistent with my Department's objectives.

Policy Changes

27. **Mr. Peter Bottomley:** To ask the Secretary of State for International Development what aspects of the former Government's policies on international development she has altered. [8385]

Clare Short: I am currently reviewing all of our programmes to ensure that resources are used efficiently and effectively and are targeted on our overriding objective of poverty elimination. We will issue a White Paper in the autumn setting out how, through more coherent policies, we will tackle global poverty and promote sustainable development.

Developing Countries (Investment)

Mrs. Spelman: To ask the Secretary of State for International Development what projects her Department is carrying out to support British investment in developing countries. [8368]

Clare Short: My Department supports a wide range of projects in developing countries which aim to create a favourable environment for investment. One of our key aims is to help develop conditions which attract private sector investment to the least developed countries. For instance, in South Africa—and in central and eastern Europe—we have projects which aim to build alliances between UK businesses and their counterparts, to help reduce the cost of investment appraisal for small British firms, and to assist in the transfer of skills. We also sponsor the Commonwealth Development Corporation, whose statutory purpose is to contribute to economic development in the poorest countries by investing in, and supporting private sector operations.

White Paper

Dr. Tonge: To ask the Secretary of State for International Development what mechanisms are in place to co-ordinate contributions to the Government's White Paper on international development between Government Departments. [9025]

Clare Short: A range of mechanisms to co-ordinate contributions to the White Paper, both from within and outside government, have been established. We have established a steering group comprising officials from the Department for International Development and other Whitehall Departments. I am currently consulting with ministerial colleagues on the contribution of their Departments to the White Paper.

NORTHERN IRELAND

Botanic Gardens, Belfast and Armagh County Museum

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many persons are employed by the Ulster museum at *(a)* Botanic gardens, Belfast and *(b)* Armagh county museum; how many persons are required to be employed at a location before it is required to establish the work force composition by religious affiliation; and if she will make a statement. [5484]

Mr. Worthington: The Ulster museum employs *(a)* 169 persons at Botanic gardens, Belfast; and *(b)* six persons at Armagh county museum.

The trustees of the Ulster museum are specified in the Fair Employment (Specification of Public Authorities) Order (Northern Ireland) 1980 and are registered under the Fair Employment (Northern Ireland) Act 1989. All registered employers are required by the Act to monitor the composition of their work force.

For employers who are not public authorities, from 1 January 1992 a concern satisfies the condition for registration at the end of any week if in that week more than 10 employees have been employed.

Deprived Schools

Mr. Godman: To ask the Secretary of State for Northern Ireland if she will withdraw the document recently circulated by the Department of Education relating to proposals from Coopers and Lybrand concerning deprived schools; and if she will make a statement. [9002]

Mr. Worthington: No. It is an independent report which is intended to provide a framework for discussion on the main issues in the LMS formulae. Policy will be determined in the light of these discussions and consultation with schools. With regard to funding for deprived schools, the objective is to target funds more effectively at such schools and there is no intention to cut back on the total level of funding.

Welfare-to-work Scheme

Mr. Godman: To ask the Secretary of State for Northern Ireland if she will issue a statement concerning the composition of the Northern Ireland task force to oversee the welfare-to-work scheme. [9014]

Mr. Worthington: Responsibility for the subject in question has been delegated to the Training and Employment Agency under its chief executive Mr. Ian Walters. I have asked him to arrange for a reply to be given.

Letter from Chris Thompson to Mr. Norman A. Godman, dated 18 July 1997:

The Secretary of State for Northern Ireland has asked the Chief Executive of the Training and Employment Agency to reply to your question concerning the composition of the Northern Ireland Task Force to oversee the Welfare to Work scheme. In his absence, I am replying.

Following the model of the National Task Force, it is proposed that the Northern Ireland Task Force should be a small high-level body with representation from business, trade unions, the voluntary sector, environmental groups, the education sector and youth groups.

Nominations for the Northern Ireland Task Force are under active consideration and an announcement on the Task Force will be made in the near future by the Secretary of State.

Juveniles

Mr. McNamara: To ask the Secretary of State for Northern Ireland what representations he has received from outside bodies in the last year in respect of the treatment of juveniles in detention. [9344]

Mr. Ingram: Representations from a wide range of interests were received following publication earlier this year of a proposal for a draft Order in Council dealing with juveniles in the criminal justice system. Most were supportive of the proposed changes to the legislation.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many incidents of *(a)* protest movements, *(b)* mutinies or rebellions, *(c)* hunger strikes, *(d)* self-mutilation, *(e)* suicide and *(f)* prison escapes or attempted escapes affecting (i) male and (ii) female juveniles in detention have been recorded in the past year [9285]

Mr. Ingram: The following is the information:

(a) Protest movements: None

(b) Mutinies or rebellions: None

(c) Hunger strikes: None

(d) Cases of self-mutilation: The incidents of self-injurious behaviour in each of the training schools during the past year are:

St. Patrick's training school: None

Middletown juvenile justice centre: None

Lisnevin: None

Rathgael juvenile justice services:

Boys: 3

Girls: 2

Total: 5

(e) Case of Suicide: None

(f) Prison escapes or attempted escapes: None

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many institutions hold juvenile detainees; and if she will list these indicating their type and the number of juveniles admitted to each in the last year for which figures are available. [9223]

Mr. Ingram: There are four training schools which hold both remands and committals. In the year ended 31 December 1995, the last year for which figures are available, the number of admissions was as follows:

	Type	*Number*
Rathgael Juvenile Justice Services	Non-secure accommodation	88
Lisnevin	Secure accommodation for boys	229
St. Patrick's Training School	Non-secure accommodation for Catholic boys	50
Middletown Juvenile Justice Centres	Non-secure accommodation for Catholic girls	7

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will make a statement on the different prison regimes for juveniles. [9224]

Mr. Ingram: Children under the age of 17 may be remanded in custody or, if found guilty of an offence punishable in the case of an adult with imprisonment, may be sent to a training school. Only one of the four training schools is a secure unit and this is for boys only.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will make a statement on the inspection and supervision systems for juvenile institutions. [9225]

Mr. Ingram: The training schools are inspected regularly by the social services inspectorate which has independent advisers from the Department of Health and Social Services.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many juveniles are in preventive detention. [9226]

Mr. Ingram: The number of juveniles held in the four training schools at 19 June 1997 both in secure and other accommodation was 73.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many children currently accompany mothers in detention. [9227]

Mr. Ingram: None.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will make a statement on the minimum age for the detention of juveniles. [9228]

Mr. Ingram: The minimum age for the detention of juveniles is 10, which is the same as the minimum age of criminal responsibility. There are no plans to change this at present.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many juveniles are detained in each institution by *(a)* age and *(b)* gender. [9229]

Mr. Ingram: The number held in each school by gender and age on 19 June 1997 was:

		Male						*Female*		
	Number	*12 years*	*13 years*	*14 years*	*15 years*	*16 years*	*17 years*	*18 years*	*14 years*	*15 years*	*16 years*
Rathgael	27	1	4	6	3	8	1	1	1	1	1
St. Patricks	10	—	1	2	1	6	—	—	—	—	—
Middletown	—	—	—	—	—	—	—	—	—	—	—
Lisnevin	36	—	—	3	17	15	1	—	—	—	—
Total	73	1	5	11	21	29	2	1	1	1	1

Mr. McNamara: To ask the Secretary of State for Northern Ireland what proportion of juveniles in detention are accommodated in individual cells. [9230]

Mr. Ingram: All children in the training schools have individual rooms.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many complaints have been made alleging ill-treatment of juveniles in detention; and if she will make a statement on the outcomes of these complaints. [9241]

Mr. Ingram: There have been no complaints of ill-treatment of juveniles held in the training schools in the past year.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will list each incident where juveniles have been detained for reasons other than suspicion or guilt of criminal offences in the last five years. [9239]

Mr. Ingram: None.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many cases of malnutrition have been recorded in respect of juveniles in detention in the last year. [9231]

Mr. Ingram: None.

Mr. McNamara: To ask the Secretary of State for Northern Ireland in what circumstances juveniles in detention *(a)* have free access to drinking water and *(b)* are able to shave themselves each day. [9232]

Mr. Ingram: *(a)* during the day, the children have free access to drinking water and during the night, they have access via a call system and a night supervisor; *(b)* those boys old enough to shave are free to do so each day.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what screening, preventive care and medical care is provided for juveniles in detention. [9233]

Mr. Ingram: All children in the training schools undergo regular medical and dental checks. Drug awareness and sex education are also available as part of the general programme of education.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many visits juveniles in detention may receive each week. [9234]

Mr. Ingram: There are no limits on the number of visits a child may receive each week.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what social and educational assistance is provided for juveniles in detention. [9235]

Mr. Ingram: An extensive range of vocational and educational training is provided in the training schools as well as access to physical and recreational facilities.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what types of prison work are *(a)* available and *(b)* compulsory for juveniles in detention. [9236]

Mr. Ingram: Children in the training schools are not required to do manual work. Some engage in horticultural or other activities as part of vocational training.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many cases of prostitution have been recorded among juveniles in detention in the past year. [9237]

Mr. Ingram: None.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will estimate the incidence of physical and sexual abuse by inmates in respect of juveniles in detention in the last year. [9238]

Mr. Ingram: There are no recorded incidences of sexual or serious physical abuse in the training schools in the past year.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many deaths of juveniles in detention have been recorded in the last year; what method of inquiry was instigated into the deaths; and what were the causes of the deaths. [9242]

Mr. Ingram: None.

Mr. McNamara: To ask the Secretary of State for Northern Ireland in what circumstances *(a)* juveniles in detention may be detained in the same cell as adults, *(b)* juveniles on remand may share the same cell as sentenced juveniles, *(c)* juvenile first offenders may share the same cell with persistent offenders and *(d)* juvenile females may share the same cell with male prisoners. [9288]

Mr. Ingram: None.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what is the ratio of prison staff to children in detention. [9240]

Mr. Ingram: Staff in the training schools are mainly social workers. The ratio of staff to children range from 1:4 in some units, to 1:2 in the secure units.

WALES

Taff-Ely Site of Special Scientific Interest

Mr. Dafis: To ask the Secretary of State for Wales what steps he plans to ensure that the United Kingdom complies with its obligations under the European wild birds directive in respect of the Taff-Ely site of special scientific interest. [8784]

Mr. Win Griffiths: The European Commission has accepted that the implementation of a range of measures agreed with the United Kingdom Government to compensate for the loss of part of the Taff-Ely SSSI, would constitute compliance with the UK's obligations under the wild birds and habitats directives.

Housing

Mr. Öpik: To ask the Secretary of State for Wales if he will make a statement on his policies to improve the availability and standard of housing in Wales. [8932]

Mr. Win Griffiths: Our capital receipts initiative will enable local authorities to make further improvements in the public and private stock and to assist the provision of extra social housing in partnership with registered social landlords. We have announced that a total of £43 million is to be made available under the initiative in 1997–98 to 1998–99.

In line with our manifesto, we shall support effective schemes which involve private finance to improve the public housing stock and introduce greater diversity and choice. In particular, local authorities are encouraged to consider stock transfer to local housing companies or other registered social landlords in consultation with tenants, where approval for such transfer will be essential.

I have set up a working group to look at ways of helping local authorities to carry out assessments of housing need on a standard basis so that they can identify and tackle the real priorities. We shall complete the Welsh house condition survey next year to assist the targeting of investment in the housing stock.

I have asked Tai Cymru to increase the number of new homes it will start this financial year to at least 2,000. I am reviewing planned provision in future years.

The quality of the environment is a major theme in our manifesto and housing has an important part to play through energy efficiency. We shall be considering practical measures for improving energy efficiency in housing based on reports that we require authorities to submit by 30 November 1997.

We want to ensure that local authorities provide high quality and cost-effective housing services. We are taking forward our commitment to place a new duty on local authorities to achieve best value. This will provide authorities with the demanding challenge of continuous improvement in service costs and quality.

Community Hospitals

Mr. Barry Jones: To ask the Secretary of State for Wales (1) what plans he has to give admitting rights to acute trusts into community hospitals; and if he will make a statement; [9939]

(2) what guidance he gives health authorities concerning relationships between acute trusts and community trusts. [9938]

Mr. Win Griffiths: The Department issued guidance in October 1996 entitled "Community Hospitals Wales—The Future", a copy of which has been placed in the Library of the House. This included much useful advice about relationships with the acute sector. Arrangements for individual hospitals are a matter for local determination but all trusts in Wales are expected to collaborate to ensure that patients receive the best possible health care.

Acute and Community Trusts

Mr. Barry Jones: To ask the Secretary of State for Wales (1) what is his policy concerning the merging of acute trusts and community trusts; [9937]

(2) if he will ensure that acute and community trusts are not merged. [9940]

Mr. Win Griffiths: The Department wrote to chairmen and chief executives of NHS trusts and health authorities on 17 July 1997 with a draft project plan of the proposed process for trust reconfiguration in Wales. A copy has been placed in the Library of the House.

GP Fundholders

Mr. Barry Jones: To ask the Secretary of State for Wales what representations he has received concerning fundholding practices. [9936]

Mr. Win Griffiths: I met the Welsh Association of Fundholding Practices and the General Medical Services Council (Wales) on 7 July as part of the process for determining the direction of health care in Wales. I have made clear our commitment to a comprehensive and equitable service and the abolition of the two-tier system and internal market. It will take time to develop the alternative commissioning models that I announced on 26 June and it is important to ensure that the right changes are made and to build on current good practice.

Welsh Assembly

Mr. Alan Williams: To ask the Secretary of State for Wales if he will place in the Library the details of *(a)* his costings for the Welsh Assembly and *(b)* the statistical basis for his claims of savings that can be made from quangos. [9882]

Mr. Ron Davies: Our White Paper, "A Voice for Wales", outlines the Government's estimates of the establishment and running costs of a Welsh Assembly. I have today placed in the Library of the House a detailed breakdown of the estimates and the assumptions used to make them.

I have made no quantified estimate of the savings that will result from the Government's and the Assembly's reform of Welsh quangos, as it is not possible to do so accurately at this early stage.

PRIME MINISTER

Electoral Populations

18. **Mr. Sayeed:** To ask the Prime Minister what plans he has to correct the disparity between the electorates of constituencies in England and Scotland. [8403]

The Prime Minister: The House will continue after devolution to have responsibility for the interests of the United Kingdom as a whole and it is therefore essential that it should have the benefit of contributions from all the UK's constituent parts.

Special Advisers

Mr. Blunt: To ask the Prime Minister how many Ministerial advisers with special responsibilities for media matters involving party political issues have been appointed; and if he will list them and their sources of remuneration. [7735]

The Prime Minister *[holding answer 10 July 1997]:* Only Mr. David Mathieson, who has been appointed by my right hon. Friend, the Secretary of State for Foreign and Commonwealth Affairs, has that job description. He is paid by the Labour party.

Intelligence and Security Committee

Mr. Winnick: To ask the Prime Minister if the meetings of the Intelligence and Security Committee will be based in the Palace of Westminster; and who will clerk the Committee. [9118]

The Prime Minister *[holding answer 17 July 1997]:* It is for the Intelligence and Security Committee to determine its own procedures. But it is necessary that security requirements are met, and these are currently fulfilled by the provision of secure accommodation in 70 Whitehall and a secretariat consisting of Cabinet Office staff who have security clearance.

Royal Family

Mr. Gordon Prentice: To ask the Prime Minister what arrangements are in place to ensure that Her Majesty's Government are informed of the holiday plans of members of the royal family. [9314]

The Prime Minister: None.

NATO

Mr. Colvin: To ask the Prime Minister what will be the cost to the United Kingdom of the admission of Poland, Hungary and the Czech Republic to NATO; and from which Department's budget the funds will be found. [9929]

The Prime Minister: The NATO summit commissioned a full analysis of costs following our decision to invite Poland, Hungary and the Czech Republic to negotiate accession. That work continues. However, as I made clear in my statement of 9 July, *Official Report*, column 937, there is no reason why Britain's contribution to NATO budgets should rise significantly in real terms.

Engagements

Sir Peter Tapsell: To ask the Prime Minister if he will list his official engagements for Wednesday 23 July. [9027]

The Prime Minister: This morning, I had ministerial meetings with colleagues. I attended a meeting of the parliamentary Labour party and later on today I will have an audience of Her Majesty.

AGRICULTURE, FISHERIES AND FOOD

Ethnic Minorities

Mr. Vaz: To ask the Minister of Agriculture, Fisheries and Food how many and what percentage of employees, in each pay band, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8968]

Mr. Morley: The information requested is not held by the Department.

Common Agricultural Policy

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food what proposals Her Majesty's Government have made to the review of the common agricultural policy *(a)* before and *(b)* since 1 May; and what research his Department has commissioned into the use of set-aside land for the production of vegetable oils suitable for heating, automotive or other purposes. [9622]

Mr. Rooker: My right hon. Friend the Minister of Agriculture, Fisheries and Food wrote to Commissioner Fischler on 1 July setting out the Government's views on the future of the common agricultural policy. A copy of his letter has been placed in the Library of the House. I do not propose to comment on proposals put forward by the previous Government.

The Department is funding a range of research into industrial use of vegetable oils. This includes examining a range of industrially relevant oils, improving the efficiency of oil-bearing crops and assessing the environmental impact of plant sourced oils. These crops and the related research are not restricted to set-aside land.

Live Animal Transport

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food what information his Department collates about the transport of live calves from Ireland to England for slaughter. [9545]

Mr. Rooker *[holding answer 21 July 1997]:* The Animo—animal movements—computer system is used by all EU member states to provide advance notification of consignments of certain live animals, including calves, certified for export to other member states. We are able to collate statistical and other information from the computer messages transmitted by the Animo system.

Veterinary Medicines Directorate

Mrs. Organ: To ask the Minister of Agriculture, Fisheries and Food when the 1996–97 annual report and accounts for the Veterinary Medicines Directorate are due to be published. [10480]

Mr. Rooker: I am pleased to announce that the Veterinary Medicines Directorate's annual report and accounts for 1996–97 were published yesterday. Copies are available in the Library of the House.

The report charts the continuing success of the directorate as a next steps agency and I would like to congratulate the chief executive, Dr. Rutter, and his staff on their considerable achievements during the year.

The Veterinary Medicines Directorate has also published a second report on surveillance for veterinary residues. The report sets out the results of the testing for residues of veterinary medicines in meat and other animal products. Copies of this report are also available in the Library of the House.

BSE

Mrs. Organ: To ask the Minister of Agriculture, Fisheries and Food if he will make available the latest report evaluated by his Department on bovine spongiform encephalopathy. [10481]

Dr. Jack Cunningham: A further report on BSE in Great Britain was placed in the Library of the House today.

The report outlines the measures which have been taken to protect public health since November 1996, including the Government proposals for a new food standards agency and the consultation on new proposals for legislation on specified materials from sheep and goats, specified bovine materials in imported beef and scrapie. It summarises the results of action to enforce existing public health measures, and outlines the action which has been taken on cattle traceability. An update on the number of cases of new variant Creutzfeldt–Jakob disease is included.

There is a section on the protection of animal health covering the controls on animal feed and the selective cull.

The European perspective is reported in a section covering progress towards lifting the export ban, the European Parliament temporary committee of inquiry, Commission proposals on specified risk materials and recent Commission reports.

The epidemiology section shows that the epidemic of BSE in the UK continues to decline. The number of clinically suspect cases of BSE reported in Great Britain has continued to fall and at 30 June 1997 was 56 per cent.

less than at the same time in 1996 and 70 per cent. less than at same time in 1995. A continued improvement is expected for the future.

Food Standards Agency

Mr. Martyn Jones: To ask the Minister of Agriculture, Fisheries and Food if he will list the *(a)* names and *(b)* organisations of those who responded to the consultation on the report by Professor James of a food standards agency; and if he will make a statement. [9848]

Mr. Rooker: A list of the individuals and organisations who responded to public consultation on Professor James's proposal has been placed in the Library of the House. My right hon. Friend will shortly be making a statement on the response to consultation.

Vitamin Supplements

Dr. Iddon: To ask the Minister of Agriculture, Fisheries and Food what is his policy in respect of the *(a)* production and *(b)* sale of vitamin B6 high dose supplements; and if he will make a statement. [9458]

Mr. Rooker *[holding answer 21 July 1997]:* The Government recently accepted the advice of the independent Food Advisory Committee that the level of vitamin B6 in dietary supplements classed as foods should not exceed more than 10 mg per daily dose and that such supplements should carry a warning label about the risks of harmful effects at intakes above 10 mg. I have instructed officials to draw up legislation under the Food Safety Act 1990 to implement these requirements. The scope of the legislation, which will be subject to consultation, is still being considered, but it is likely to apply both to the production and to the sale of these products.

The legislation will apply only to supplements sold under food law: higher dose products licensed as medicines for the treatment of specific clinical conditions will continue to be available from pharmacies and on prescription.

Agriculture Council

Mrs. Organ: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Agriculture Council held in Brussels on 22 to 23 July; and if he will make a statment. [10479]

Dr. Jack Cunningham: I represented the United Kingdom at the meeting of EU Agriculture Ministers held in Brussels on 22 July. I was accompanied at the meeting by Lord Dubs, the Parliamentary Under-Secretary of State for Northern Ireland.

The principal business of this Council was to consider the Commission's proposal introducing, as a measure to protect public health, an EU-wide prohibition on the use of specified risk materials from cattle, sheep or goats. The Council was called upon to consider this proposal since it had failed to secure a qualified majority at the Standing Veterinary Committee held on 16 July. Following prolonged negotiations in the Council, the Luxembourg presidency was able to establish that a simple majority of member states supported the Commission's proposal. Those member states were Sweden, Luxembourg, the Netherlands, Portugal, Finland, Ireland, France and the United Kingdom. The way is now open for the Commission to act on its own competence and give effect to this measure, which will come into force on 1 January 1998. I very much welcome the fact that a majority of member states was able to support a measure that will bring the EU broadly into line with UK practice in respect of the removal of specified risk materials from bovine carcases and extend that practice to sheep and goats.

The Commissioner gave a full report to the Council on the recent discovery of illegal exports of beef from the United Kingdom to other EU member states. I emphasised to the Council the importance the United Kingdom attaches to the prevention of fraud and to maintaining strict controls in slaughterhouses and meat plants.

The Agriculture Council also heard Commissioner Fischler give a full account of the recently published approach to further reform of the common agricultural policy in the framework of the Commission's Agenda 2000 proposals. The Commissioner emphasised the importance of proceeding urgently with changes to the arable, dairy and beef sectors in particular, as well as certain Mediterranean products, in order to prepare the EU for the next round of World Trade Organisation agricultural negotiations and to facilitate the enlargement of the EU. I welcomed the Commission's initiative and urged the Council to engage in detailed discussions as quickly as possible. The Council will revert to this important subject in the early autumn.

The Council also had reports from the Commission on progress in the veterinary equivalence negotiations with the United States and the Czech Republic and from the presidency on progress in attaching animal welfare conditions to the payment of beef export refunds, a proposal I welcome. The Council adopted by qualified majority a proposal setting rates of aid for hops producers for a five-year period, the United Kingdom voting against the proposal on the grounds that the aid rate of 480 ecu per hectare was unnecessarily high.

HOME DEPARTMENT

Probation Service

Mr. Beith: To ask the Secretary of State for the Home Department how many serious incident reports for each probation service in England and Wales during 1996 which involved murder were alleged to have been perpetrated by offenders on *(a)* community supervision and *(b)* parole of after-care. [8901]

Ms Quin: The information available is given in the following table.

Number of alleged murders committed by offenders under probation supervision about whom a management review has been received

Probation area	*Community penalties*	*Post-release supervision*	*Family court welfare contact*
Northumbria	5	3	—
Greater Manchester	5	2	—
West Midlands	5	—	—
Inner London	5	—	—
Lancashire	5	—	—

Number of alleged murders committed by offenders under probation supervision about whom a management review has been received

Probation area	Community penalties	Post-release supervision	Family court welfare contact
Mid Glamorgan	3	1	—
Humberside	2	2	—
West Yorkshire	3	—	—
Middlesex	3	—	—
West Sussex	2	—	—
Hampshire	2	—	—
South Yorkshire	2	—	—
Warwickshire	2	—	—
Lincolnshire	1	1	—
Kent	—	—	2
Devon	2	—	—
Berkshire	1	—	—
East Sussex	1	—	—
Oxon and Bucks	1	—	—
South West London	1	—	—
South East London	1	—	—
Merseyside	1	—	—
Cumbria	1	—	—
West Glamorgan	1	—	—
North Wales	—	1	—
Avon	—	1	—
Gloucestershire	—	1	—
Total	55	12	2

1. These figures do not include charges of: death by dangerous driving; unlawful killing; child death (neglect); manslaughter; conspiracy to murder; aid and abet murder; arson with intent; attempted murder.

2. Cases where more than one offender were jointly charged with one offence have been counted as one incident; multiple offences alleged to have been committed by one offender have been counted as multiple incidents.

3. Some charges may have been reduced or dropped before or at trial.

4. These figures relate to incidents that were notified to the Home Office between 16 November 1995 and 17 December 1996 about which a management review was subsequently received.

Mr. Beith: To ask the Secretary of State for the Home Department how many probation officers were *(a)* sacked and *(b)* disciplined in respect of a serious incident report during 1996. [8906]

Ms Quin: The information is not currently available and could be obtained only at disproportionate cost.

Immigration

Dr. Harris: To ask the Secretary of State for the Home Department, pursuant to his answer of 30 June, *Official Report*, column *4*, how many persons who had been detained under Immigration Act powers were granted *(a)* asylum, *(b)* exceptional leave to remain and *(c)* leave to enter or remain on another basis in (i) 1995, (ii) 1996 and (iii) 1997 to date. [8925]

Mr. Mike O'Brien: Further analysis of the information given in the reply of 30 June has shown that the number of people who were held in detention, solely under Immigration Act powers, and then subsequently granted leave to enter or remain was previously overestimated. The revised totals, with the breakdown requested, are given in the table. I apologise if this has caused any inconvenience.

Number[1] of persons granted leave to enter or remain who had been detained under Immigration Act powers[2, 3] by date of outcome, 1995, 1996 and January to June 1997

	1995	1996	1997[4]
Granted asylum	30	90	115
Granted exceptional leave to remain/enter	60	110	55
Granted other leave to enter or remain[5]	95	95	65
Total	185	295	235

[1] Estimated and rounded to nearest 5.

[2] Persons detained solely under the powers contained in Schedule 2 or 3 of the Immigration Act 1971.

[3] Information relates to year of outcome, which does not necessarily correspond with detention period.

[4] For January to 30 June 1997.

[5] Includes—leave to enter as a spouse, leave to enter—other, indefinite leave to remain, limited leave to remain, cases conceded, Court recommendation over-turned, entry regarded as lawful.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for the Home Department how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8949]

Mr. Straw: A voluntary self-classification system is used to record the ethnic origin of staff in the Home Office. Of the staff serving in the Home Office ministerial secretariat on 6 July 1997 *(a)* 7.4 per cent. had classified themselves as being of Asian origin and *(b)* 2.9 per cent. had classified themselves as being of Afro-Caribbean origin. The ministerial secretariat consists of staff serving all the Home Office Ministers and the permanent secretary. Given the small size of the ministerial secretariat, the information requested on numbers cannot be provided as this might result in the identification of individuals. This would be contrary to the Home Office code of practice on the use and disclosure of ethnic data, which has been agreed with the trade union side.

In connection with this question, I regret that some of the information provided in my reply to the hon. Member on 22 May 1997, *Official Report*, column *110*, was incorrect in that the figures given were those for black staff and not for staff of Asian origin. The correct figures are as follows:

Grade level	Asian staff	Afro-caribbean staff
Administrative Assistants	175	109
Administrative Officers	314	142
Executive Officers	175	67
Higher Executive Officers	17	14
Senior Executive Officer and above	11	7
Total	692	339

Immigration (Same-sex Partnerships)

Mr. Allan: To ask the Secretary of State for the Home Department what plans he has to review immigration policy in respect of same-sex partnerships. [9598]

Mr. Mike O'Brien: We are examining how we wish to develop all aspects of immigration policy, including such issues.

Tote Direct

Mr. Peter Bottomley: To ask the Secretary of State for the Home Department how many outlets there are for the Tote Direct; and if he will compare the number of such outlets with those for the national lottery. [9902]

Mr. George Howarth: Approximately 3,400 betting shops currently have Tote Direct terminals. The Tote expects there to be 4,500 by the end of the coming year.

There are about 35,000 retail outlets for national lottery products—24,000 for the on-line game and 10,800 for instant games.

Police (Ethnic Origin)

Mr. Vaz: To ask the Secretary of State for the Home Department if he will provide a breakdown of the ethnic origin of police officers in each rank in England and Wales. [9888]

Mr. Michael: The latest available information is given in the table.

Police strength, England and Wales, 31 March 1996 (excluding secondments)

Rank	*White*	*Black*	*Asian*	*Other*	*Total*
Association of Chief Police Officers (ACPO) Ranks	194	0	0	0	194
Superintendent	1,308	1	0	1	1,310
Chief Inspector	1,711	3	2	4	1,720
Inspector	6,251	8	14	7	6,280
Sergeant	18,610	60	77	29	18,776
Constable	94,513	977	—	333	96,532
Total	122,587	1,049	802	374	124,812

Although we do not yet have firm information for 1997, we do know that there is one ethnic minority officer (Asian) at ACPO rank.

Racehorses

Mr. Peter Bottomley: To ask the Secretary of State for the Home Department what information he has evaluated in respect of the overall returns to racehorse owners in *(a)* the United Kingdom, *(b)* Ireland, *(c)* France, *(d)* German, *(e)* Japan and *(f)* Australia. [9898]

Mr. George Howarth: The most recent figures are for 1995.

Country	*Total prize money £*	*Percentage of training expenses covered*
United Kingdom	58,160,788	21
Ireland	13,548,480	20
France	92,312,632	49
Germany	23,151,375	45
Japan	655,428,126	95
Australia	112,848,577	34

Mr. Bottomley: To ask the Secretary of State for the Home Department if he will estimate the overall returns to racehorse owners for each year since 1986. [9897]

Mr. Howarth: The only available information is as follows:

	Percentage of training expenses covered by prize money
United Kingdom	
1993	21
1994	22
1995	21

Mr. Bottomley: To ask the Secretary of State for the Home Department which EU member states provide extra prize money to winning racehorses trained or bred in the member state. [9899]

Mr. Howarth: We understand that some prize money comes from public sources in all European Union member states except Luxembourg.

Prisoners' Families (Travel Costs)

Mr. Steen: To ask the Secretary of State for the Home Department what is the cost to public funds of reimbursing travel costs and providing travel for prisoners' families to visit their incarcerated relatives *(a)* nationally and *(b)* in Channings Wood; and what percentage in each case is represented by (i) taxi costs and (ii) overnight accommodation. [9857]

Ms Quin: The most recent figures are for 1996–97.

The total travel cost plus overnight accommodation for visits to prisons in England and Wales was £2,540,578 and to Channings Wood prison, £65,833. Overnight accommodation represents 4.35 per cent. nationally and 3.94 per cent. for Channings Wood.

It is not possible to specify as a percentage the cost of taxis against total travel cost, either nationally or for Channings Wood prison, as the assisted prison visits unit computer system does not differentiate between different modes of travel such as taxi, private motor vehicle, bus, etc.

Drivers (Drug Tests)

Mr. Sheerman: To ask the Secretary of State for the Home Department what progress is being made by the police scientific development branch on developing reliable equipment to test for drugs in relation to driving ability. [9845]

Mr. Michael: The project is progressing on time and I was able to discuss the project when I visited the police scientific development branch on 22 July. Prototype equipment is planned for March to April 1998. A methodology for testing prototypes is being developed in parallel.

Passports

Ms Oona King: To ask the Secretary of State for the Home Department how many British passports were applied for in *(a)* the year beginning January 1993,

(b) the year beginning January 1994, *(c)* the year beginning January 1995, *(d)* the year beginning January 1996, *(e)* the third quarter of 1996, *(f)* the last quarter of 1996, *(g)* the first quarter of 1997 and *(h)* the second quarter of 1997. [9778]

Mr. Mike O'Brien: The information requested on the numbers of passports applied for is as follows:

Year/months	*Number of British passports applied for*
1993	3,251,596
1994	3,707,162
1995	4,235,737
1996	5,306,723
July–September 1996	1,333,086
October–December 1996	724,602
January–March 1997	1,337,769
April—June 1997	1,467,841

Police (Sponsorship)

Mr. Sheerman: To ask the Secretary of State for the Home Department what is the amount of sponsorship received by each police force from companies in the private sector. [9851]

Mr. Michael: This information is not collected centrally. I understand that the Association of Chief Police Officers and the Association of Police Authorities have estimated that police forces in England and Wales could receive up to £30 million in 1997–98 in agreements involving gifts, loans and sponsorship. Some information on the value of police authority sponsorship agreements can be found in "Police Statistics 1994–95 and 1995–96 Actuals" and "Police Statistics 1996–97 Estimates" published by the Chartered Institute of Public Finance and Accountancy, copies of which are in the Library.

Inquests

Mr. Dismore: To ask the Secretary of State for the Home Department what plans he has to change the inquest system, with special reference to major disasters in respect of which public inquiries are held; and if he will make a statement. [10140]

Mr. George Howarth: The report of the disasters and inquests working group, published in March, recommended legislation to relieve coroners of the need to resume their inquest after the public inquiry had been completed, and invited comments. There is no current legislative opportunity to give effect to the recommendations, but the position is kept under review.

Sex Offenders

Mr. Beith: To ask the Secretary of State for the Home Department how many prisoners have completed the sex offender treatment programme to date; and how many are currently on such courses. [10097]

Ms Quin: A total of 2,247 prisoners had completed the sex offender treatment programme by 31 March 1997.

The number of prisoners on the programme at any one time during the course of a year could be obtained only at disproportionate cost. However, the Prison Service has planned for a further 742 prisoners to have completed accredited versions of the programme by 31 March 1998. By this date, an additional 42 prisoners will have completed a version of the programme which it is hoped will be accredited later in the year.

Postal Votes

Mr. Burstow: To ask the Secretary of State for the Home Department, pursuant to his answer of 2 July, *Official Report*, column *161*, on postal votes before the last general election, what was the amount spent on *(a)* television and *(b)* newspaper advertisements; and what measures were taken to inform blind and partially sighted people of the availability of postal votes. [9163]

Mr. George Howarth: *(a)* £305,000 and *(b)* £395,000. Advice on absent voting provisions for blind and partially sighted electors at the general election were provided to the editors of talking newspaper services through the offices of the Royal National Institute for the Blind.

Mr. Burstow: To ask the Secretary of State for the Home Department, pursuant to his answer of 2 July, *Official Report*, column *161*, on postal votes before the last general election, for what reasons his Department did not use radio advertisements. [9162]

Mr. Howarth: The publicity campaign about absent voting on television and in the newspapers was considered to be the most cost-effective way to reach as large an audience as possible within the period available after the general election was announced for applications to be made. Because there are so many very different radio stations, it would not have been possible to achieve such wide coverage through radio advertisements. The Government monitor the effectiveness of their advertising and we are of course prepared to consider using a different medium if that would be more suitable.

Juveniles

Mr. McNamara: To ask the Secretary of State for the Home Department how many juveniles are in the preventive detention. [9267]

Ms Quin: On 18 July, the number of juveniles[1] held in Prison Service establishments was:

	Number
Sentenced juveniles	1,816
Remanded juveniles	263
Total	2,079

[1] The term juvenile is defined by the 1991 Criminal Justice Act as remanded 15 and 16-year-olds and sentenced 15 to 17-year-olds. Unsentenced 17-year-olds are classed as young male remands.

Mr. McNamara: To ask the Secretary of State for the Home Department (1) what proportion of juveniles in detention are accommodated in individual cells; [9271]

(2) in what circumstances *(a)* juveniles in detention may be detained in the same cell as adults, *(b)* juveniles on remand may share the same cell as sentenced juveniles, *(c)* juvenile first offenders may share the same cell with persistent offenders and *(d)* juvenile females may share the same cell with male prisoners. [9287]

Ms Quin: Information is not held centrally on the number of juveniles accommodated in individual cells and could be provided only at disproportionate cost.

(a) Governors may exceptionally allow the sharing of a cell by a male juvenile and an adult male prisoner in circumstances where it would be reasonable and practicable to permit this, for example where a son and a father or brothers are in custody in the same establishment and wish to be accommodated together. This must be in the interests of the young prisoner. Selected adult female prisoners can be located in accommodation designated for convicted young female prisoners.

(b) In accordance with prison rule 3(2), unconvicted prisoners may not be required under any circumstances to share a cell with a convicted prisoner.

(c) Subject to the need to maintain good order and discipline and to safeguard the interests of the individuals concerned, there is no restriction on juvenile first offenders sharing a cell with persistent offenders.

(d) In accordance with prison rule 9(1), women prisoners are kept entirely separate from male prisoners.

Mr. McNamara: To ask the Secretary of State for the Home Department how many visits juveniles in detention may receive each week. [9275]

Ms Quin: The statutory entitlement to visits by juveniles, which is the same as that for adult prisoners and young offenders, is set out in the young offender institution rules and standing order 5, copies of which are in the Library. In accordance with these, all convicted prisoners, including juveniles, are entitled to at least one visit after reception on conviction and every two weeks thereafter. Unconvicted prisoners, again including juveniles, are entitled to visits lasting at least one and a half hours each week but, where circumstances permit, governors should allow more. In addition to this, governors have discretion to allow special visits and prisoners may earn additional visits under the incentives and earned privileges scheme.

Mr. McNamara: To ask the Secretary of State for the Home Department what is the ratio of prison staff to children in detention. [9306]

Ms Quin: The majority of juveniles are held in establishments which also hold young offenders and/or adult prisoners. Therefore, it is not possible to say what the ratio of prison staff to juveniles is. The staff to prisoner ratio for all Prison Service establishments at 30 June 1997 was 1: 1.51.

Mr. McNamara: To ask the Secretary of State for the Home Department (1) how many complaints have been made alleging ill-treatment of juveniles in detention; and if he will make a statement on the outcomes of these complaints; [9281]

(2) what representations he has received from outside bodies in the last year in respect of the treatment of juveniles in detention. [9343]

Ms Quin: The Prison Service has received no representations from outside bodies in the last year on the treatment of juveniles whilst they are in detention. However, representations have been received from a range of organisations and agencies on the implementation of the provisions in the Criminal Justice Act 1991 for court-ordered secure remands and ending prison remands for juveniles. The Government remain committed to ending prison remands for 15 and 16-year-old boys as quickly as possible and hope that the planned review of secure accommodation will help in this regard.

Separate records of the total number of complaints made on behalf of juveniles, including those made by third parties, are not held centrally. Individual establishments, however, keep records of formal complaints made by juvenile prisoners, and the Director General of the Prison Service will write to my hon. Friend with details of the number of complaints received.

Mr. McNamara: To ask the Secretary of State for the Home Department (1) if he will make a statement on the different prison regimes for juveniles; [9265]

(2) what types of prison work are *(a)* available and *(b)* compulsory for juveniles in detention; [9277]

(3) what social and educational assistance is provided for juveniles in detention. [9276]

Ms Quin: The nature of a prison regime for juveniles is for the governor to determine, within young offender institution rules, budget and on advice from his management team. The area manager must approve the regime for each establishment. This produces regimes which reflect local needs and recognise the specific needs of juvenile prisoners.

The work available for juveniles varies between establishments. Subject to limitations through legal restrictions on the operation of certain machinery by juveniles, and the requirement that young offenders under the age of 17 must undertake 15 hours per week compulsory education, the work is the same as provided for adult offenders.

Juveniles may be required to work as part of a balanced regime of education, training and work designed to assist them to acquire or develop personal responsibility, self-discipline, physical fitness, interests and skills and to obtain suitable employment after release. Where possible, they are given a choice of work.

The young offender institution consolidated rules 1996 require that prisoners aged less than 17 be provided with at least 15 hours a week of education or training. The education provided is focused on remedial eduation in basic skills, combined with a wider variety of experience and training to equip young offenders to deal more effectively with life after imprisonment.

Education provision for those under 17 years of age is linked to the national curriculum for schools in so far as facilities allow.

Mr. McNamara: To ask the Secretary of State for the Home Department if he will make a statement on the minimum age for the detention of juveniles. [9269]

Mr. Michael: The following custodial sentences are currently available to the courts for convicted juveniles: from the age of 10, detention during Her Majesty's pleasure for murder under section 53(1) of the Children

and Young Persons Act 1933; and detention, up to the adult maximum, under section 53(2) of the Children and Young Persons Act 1933 for grave crimes including those which are punishable in the case of an adult by 14 years' imprisonment or more. For juveniles aged 15 to 17, detention in a young offender institution for a maximum of two years is available for any offence for which an adult may be sentenced to imprisonment.

Our aim is to provide the courts with a more coherent and flexible set of custodial powers than those left by the previous Government. In the meantime, we will press ahead with introducing the secure training order provided for in the Criminal Justice and Public Order Act 1994, to deal with 12 to 14-year-old persistent offenders who have not responded to punishment in the community. My right. hon. Friend announced on 3 July that he has commissioned a review of the secure accommodation currently available for young offenders and the youth justice task force will be advising Ministers on this issue. When the secure training order is implemented, the courts will have the following powers to impose custodial sentences:

10 to 17

detention during Her Majesty's pleasure for murder (section 53(1) Children and Young Persons Act 1993):

10 and 11-years-olds

section 53(2) custody, up to the adult maximum, for grave offences;

12, 13 and 14-year-olds

section 53(2) custody, up to the adult maximum for grave offences, and the secure training order (STO) for up to two years, for less serious but persistent offending;

15, 16 and 17-year-olds

section 53(2) custody, up to the adult maximum for grave offences, and detention of up to two years in a young offender institution for any other impressionable offence.

Mr. McNamara: To ask the Secretary of State for the Home Department in what circumstances juveniles in detention *(a)* have free access to drinking water and *(b)* are able to shave themselves each day. [9273]

Ms Quin: Most juveniles in detention have a tap with drinkable water in their cell. Where the cell does not have integral sanitation, individuals will have access to drinking water outside the cell; or if they are confined to their cell during the day they will be provided with a jug of water.

The young offender institution rules (21. (3)) state that male juveniles in detention may be required by the governor to shave or be shaved for neatness or, as directed by the medical officer, for health or cleanliness. The circumstances will vary according to the inmate: those needing to shave and who are not considered a suicide risk may keep their own razors, and are encouraged to shave each day; where a juvenile is considered a suicide risk the razor is issued temporarily for shaving under supervision.

Mr. McNamara: To ask the Secretary of State for the Home Department how many institutions hold juvenile detainees; and if he will list these indicating their type and the number of juveniles admitted to each in the last year for which figures are available. [9264]

Ms Quin: Provisional information for 1996 is given in the table.

Receptions of 15, 16 and 17-year-olds into prison by establishment in 1996[1] [2]

	Untried		*Convicted unsentenced*		*Sentenced*	
	Male	*Female*	*Male*	*Female*	*Male*	*Female*
Remand centres (male)						
Brinsford	136	0	106	0	51	0
Dorchester	41	0	33	0	2	0
Exeter	102	0	62	0	31	0
Feltham	386	0	243	0	43	0
Glen Parva	708	0	512	0	19	0
Gloucester	141	0	102	0	27	0
Hindley	551	0	383	0	218	0
Lancaster Farms	223	0	144	0	84	0
Low Newton	420	0	265	0	46	0
Northallerton	323	0	196	0	24	0
Norwich	80	0	51	0	6	0
Reading	229	0	159	0	36	0
Rochester	115	0	58	0	48	0
Swansea	102	0	78	0	39	0
Wood Hill	53	0	40	0	12	0
Total remand centres (male)	3,610	0	2,432	0	686	0
Local prisons (male)						
Camp Hill	1	0	0	0	1	0
Cardiff	180	0	107	0	52	0
Chelmsford	89	0	63	0	11	0
Doncaster	484	0	319	0	261	0
Exeter	9	0	8	0	2	0
Gloucester	2	0	0	0	0	0
Hull	184	0	112	0	43	0
Lewes	56	0	34	0	6	0
Norwich	3	0	1	0	0	0
Rochester	0	0	0	0	1	0

Receptions of 15, 16 and 17-year-olds into prison by establishment in 1996[1] [2]

	Untried		*Convicted unsentenced*		*Sentenced*	
	Male	*Female*	*Male*	*Female*	*Male*	*Female*
Swansea	1	0	1	0	0	0
Wood Hill	5	0	4	0	0	0
Total local prisons (male)	1,014	0	649	0	377	0
Closed training prisons (male)						
Camp Hill	0	0	0	0	1	0
Total closed training prisons (male)	0	0	0	0	1	0
All adult establishments (male)	4,624	0	3,081	0	1,064	0
Closed YOIS (male)						
Brinsford	15	0	19	0	39	0
Deerbolt	0	0	0	0	9	0
Feltham	2	0	0	0	161	0
Glen Parva	1	0	2	0	187	0
Lancaster Farms	1	0	0	0	5	0
Moorland	0	0	0	0	1	0
Onley	0	0	0	0	4	0
Portland	0	0	0	0	3	0
Stoke Heath	0	0	0	0	1	0
Swinfen Hall	0	0	0	0	1	0
Total closed Yois (male)	19	0	21	0	411	0
Juvenile YOIS (male)						
Brinsford	376	0	300	0	492	0
Deerbolt	0	0	1	0	496	0
Feltham	562	0	337	0	914	0
Hollesey Bay	0	0	0	0	1	0
Lancaster Farms	62	0	51	0	30	0
Onley	0	0	0	0	375	0
Portland	1	0	0	0	426	0
Stoke Heath	0	0	1	0	206	0
Werrington	3	0	1	0	395	0
Wetherby	1	0	0	0	256	0
Total juvenile YOIS (male)	1,005	0	691	0	3,591	0
Total all YOIS (male)	1,024	0	712	0	4,002	0
Total all prisons and remand centres	5,648	0	3,793	0	5,066	0
Local prisons (female)						
Eastwood Park	0	11	0	6	0	19
Holloway	0	50	0	30	0	68
Low Newton	0	29	0	17	0	29
New Hall	0	6	0	2	0	0
Pucklechurch	0	1	0	0	0	5
Risley	0	39	0	27	0	27
Total local prisons (female)	0	136	0	82	0	148
Open prisons (female)						
Askham Grange	0	0	0	0	0	2
Total open prisons (female)	0	0	0	0	0	2
Closed YOIS (female)						
Bullwood Hall	0	0	0	1	0	5
New Hall	0	20	0	13	0	39
Styal	0	0	0	0	0	16
Total closed YOIS (female)	0	20	0	14	0	60
Open YOIS (female)						
Drake Hall	0	0	0	0	0	4
Total open YOIS (female)	0	0	0	0	0	4
Total all female establishments	0	156	0	96	0	214
Total all establishments	5,648	156	3,793	96	5,066	214

[1] Provisional figures.

[2] Total receptions cannot be calculated by adding together receptions in each category because there is double counting.

Mr. McNamara: To ask the Secretary of State for the Home Department how many children currently accompany mothers in detention. [9268]

Ms Quin: On 16 July 1997, 52 women had their children with them in the four mother and baby units in the female prison estate.

Mr. McNamara: To ask the Secretary of State for the Home Department how many cases of malnutrition have been recorded in respect of juveniles in detention in the last year. [9272]

Ms Quin: Information on malnutrition in prisoners is not recorded centrally. All new receptions to Prison Service establishments, including juveniles, are screened by a medical officer. Any cases of malnutrition would be noted and followed up as appropriate.

Mr. McNamara: To ask the Secretary of State for the Home Department if he will list each incident where juveniles have been detained for reasons other than suspicion or guilt of criminal offences in the last five years. [9280]

Ms Quin: Information for 1992 to 1996 is contained in the table. A list of each incident cannot be disclosed for reasons of confidentiality.

Juveniles[1] received into prison service establishments for non-criminal offences: 1992–96

Year	Reason for detention: Awaiting deportation	Other immigration offence	Contempt of court	Total
1992	4	1	1	6
1993	2	10	1	13
1994	1	11	2	14
1995	4	9	0	13
1996	1	11	0	12

[1] Aged 15–17.

Mr. McNamara: To ask the Secretary of State for the Home Department how many cases of prostitution have been recorded among juveniles in detention in the past year. [9278]

Ms Quin: None.

Mr. McNamara: To ask the Secretary of State for the Home Department how many incidents of *(a)* protest movements, *(b)* mutinies or rebellions, *(c)* hunger strikes, *(d)* self-mutilation, *(e)* suicide and *(f)* prison escapes or attempted escapes affecting (i) male and (ii) female juveniles in detention have been recorded in the past year. [9284]

Ms Quin: The information is not available exactly in the form requested.

The table lists the number of reported incidents of concerted indiscipline, food refusal, attempted suicide, suicide, escapes and attempted escapes affecting male and female juveniles in the last financial year.

Reported incidents 1996–97 for juveniles in detention

Type of incident	Number of incidents: Male juveniles	Female juveniles
Concerted indiscipline[1]	4	3
Food refusal	0	0
Attempted suicide[2]	54	6
Suicide	2	0
Attempted escape	10	2
Escape	2	0

[1] For reporting purposes, the Prison Service does nto separately define protest movements and mutinies or rebellions. Any incident where two or more prisoners refuse to comply with a direct order is reported as concerted indiscipline.

[2] All instances of "self mutilation" are incorporated in the total number of attempted suicide incidents.

Mr. McNamara: To ask the Secretary of State for the Home Department how many deaths of juveniles in detention have been recorded in the last year; what method of inquiry was instigated into the deaths; and what were the causes of the deaths. [9282]

Ms Quin: In the last year, there were two self-inflicted deaths of juveniles by hanging in Prison Service establishments. Each death was investigated by the coroner and an inquest held. The Prison Service also conducts an internal investigation into every death in custody.

Mr. McNamara: To ask the Secretary of State for the Home Department if he will make a statement on the inspection and supervision systems for juvenile institutions. [9266]

Ms Quin: Young offender institutions and local prisons containing juveniles are inspected by Her Majesty's chief inspector of prisons for England and Wales with the same frequency as all other prisons. All reports are published.

Her Majesty's chief inspector has included inspectors from the inspectorate of probation services, the inspectorate of social service and the Office for Standards in Education on occasions, to take advantage of their particular knowledge of juveniles.

The supervision of juveniles in prison is the responsibility of the Prison Service.

Mr. McNamara: To ask the Secretary of State for the Home Department how many juveniles are detained in each institution by *(a)* age and *(b)* gender. [9270]

Ms Quin: Provisional information for 31 May is given in the table.

15, 16, and 17-year-olds in prison in England and Wales on 31 May 1997 by establishment

All ages

Males	Total	Remand	Sentenced	Fine default	Civil
Aylesbury	61	0	61	0	0
Brinsford	122	82	40	0	0
Brockhill	1	0	1	0	0
Cardiff	30	23	7	0	0
Castington	12	0	12	0	0
Chelmsford	7	7	0	0	0
Deerbolt	114	6	108	0	0
Doncaster	147	88	59	0	0
Dorchester	1	1	0	0	0
Dover	41	0	41	0	0
Exeter	9	8	1	0	0
Feltham	356	139	217	0	0
Glen Parva	249	136	113	0	0
Gloucester	28	26	2	0	0
Hindley	135	67	68	0	0
Hollesley Bay	43	0	43	0	0
Hull	22	20	2	0	0
Huntercombe/Finnamore Wood	56	0	56	0	0
Lancaster Farms	70	29	41	0	0
Lewes	11	11	0	0	0
Low Newton	39	35	4	0	0
Moorland	26	0	26	0	0
Northallerton	39	38	1	0	0
Norwich	10	10	0	0	0
Onley	105	0	105	0	0
Portland	154	2	152	0	0
Reading	28	26	2	0	0
Rochester	12	11	1	0	0
Stoke Heath	107	0	107	0	0

Aged 15

Males	Total	Remand	Sentenced	Fine default	Civil
Aylesbury	0	0	0	0	0
Brinsford	15	9	6	0	0
Brockhill	0	0	0	0	0
Cardiff	3	1	2	0	0
Castington	0	0	0	0	0
Chelmsford	0	0	0	0	0
Deerbolt	17	1	16	0	0
Doncaster	20	11	9	0	0
Dorchester	0	0	0	0	0
Dover	0	0	0	0	0
Exeter	3	3	0	0	0
Feltham	67	18	49	0	0
Glen Parva	24	16	8	0	0
Gloucester	1	1	0	0	0
Hindley	9	3	6	0	0
Hollesley Bay	0	0	0	0	0
Hull	3	2	1	0	0
Huntercombe/Finnamore Wood	0	0	0	0	0
Lancaster Farms	5	3	2	0	0
Lewes	0	0	0	0	0
Low Newton	1	1	0	0	0
Moorland	2	0	2	0	0
Northallerton	3	3	0	0	0
Norwich	0	0	0	0	0
Onley	14	0	14	0	0
Portland	14	0	14	0	0
Reading	0	0	0	0	0
Rochester	0	0	0	0	0
Stoke Heath	12	0	12	0	0

Aged 16

Males	Total	Remand	Sentenced	Fine default	Civil
Aylesbury	22	0	22	0	0
Brinsford	34	22	12	0	0
Brockhill	0	0	0	0	0
Cardiff	7	3	4	0	0
Castington	2	0	2	0	0
Chelmsford	0	0	0	0	0
Deerbolt	43	2	41	0	0
Doncaster	30	19	11	0	0
Dorchester	0	0	0	0	0
Dover	0	0	0	0	0
Exeter	2	2	0	0	0
Feltham	125	52	73	0	0
Glen Parva	49	29	20	0	0
Gloucester	4	4	0	0	0
Hindley	36	16	20	0	0
Hollesley Bay	16	0	16	0	0
Hull	6	5	1	0	0
Huntercombe/Finnamore Wood	22	0	22	0	0
Lancaster Farms	16	4	12	0	0
Lewes	0	0	0	0	0
Low Newton	10	9	1	0	0
Moorland	4	0	4	0	0
Northallerton	13	12	1	0	0
Norwich	0	0	0	0	0
Onley	36	0	36	0	0
Portland	43	0	43	0	0
Reading	1	1	0	0	0
Rochester	0	0	0	0	0
Stoke Heath	34	0	34	0	0

Aged 17

Males	Total	Remand	Sentenced	Fine default	Civil
Aylesbury	39	0	39	0	0
Brinsford	73	51	22	0	0
Brockhill	1	0	1	0	0
Cardiff	20	19	1	0	0
Castington	10	0	10	0	0
Chelmsford	7	7	0	0	0
Deerbolt	54	3	51	0	0
Doncaster	97	58	39	0	0
Dorchester	1	1	0	0	0
Dover	41	0	41	0	0
Exeter	4	3	1	0	0
Feltham	164	69	95	0	0
Glen Parva	176	91	85	0	0
Gloucester	23	21	2	0	0
Hindley	90	48	42	0	0
Hollesley Bay	27	0	27	0	0
Hull	13	13	0	0	0
Huntercombe/Finnamore Wood	34	0	34	0	0
Lancaster Farms	49	22	27	0	0

Males	Total	Aged 17 Remand	Sentenced	Fine default	Civil
Lewes	11	11	0	0	0
Low Newton	28	25	3	0	0
Moorland	20	0	20	0	0
Northallerton	23	23	0	0	0
Norwich	10	10	0	0	0
Onley	55	0	55	0	0
Portland	97	2	95	0	0
Reading	27	25	2	0	0
Rochester	12	11	1	0	0
Stoke Heath	61	0	61	0	0

Mr. McNamara: To ask the Secretary of State for the Home Department what screening, preventive care and medical care is provided for juveniles in detention. [9274]

Ms Quin: The Prison Service health care standards require establishments to provide reception screening, clinical and other health assessment, counselling and education, to treat inmates, promote healthier life styles and, generally, to enable them to take informed decisions regarding matters affecting their health. The standards apply to young offender institutions as well as adult prisons.

Identity Cards

Mr. Cohen: To ask the Secretary of State for the Home Department if he will make a statement on Government policy towards identity cards. [10397]

Mr. George Howarth: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Waveney (Mr.Blizzard) on 3 July, *Official Report*, column *237*.

TRADE AND INDUSTRY

Assisted International Travel Scheme

Mr. Reed: To ask the President of the Board of Trade what representations she has received about the reduction in value of the assisted international travel scheme; and if she will make a statement. [6176]

Mr. Battle: I have approved funding of £2.1 million for 1997–98 for the DTI-assisted international travel scheme which is administered for DTI by the British Standards Institution. This is £100,000 less than the scheme's 1996–97 budget and reflects spend under the scheme in that financial year.

The aim of the scheme is to facilitate the attendance of key UK business delegates at overseas standards development meetings through a contribution to the cost of their air fares. It has always been the Government's view that business, as the main beneficiary of standards, should pay the lion's share of costs. The allowances are calculated using the return economy air fares in the "OAG World Airways Supplement" because this is understood to be the only publication that lists such fares on a worldwide basis.

My officials became aware earlier this year that these fares were higher than return economy air fares generally available in the marketplace; and that, consequently, the level of the allowance was out of line with the scheme's objectives. After careful consideration with BSI, the Department therefore decided, in order to ensure that the allowance reflected the scheme's objectives and also to obtain better value for money for the taxpayer, that it should reduce the contribution to a maximum of 65 per cent. of the quoted return economy air fare from London to the relevant overseas airport, nearest to where the standards development meeting is held. This was given effect from 1 July 1997. About 4,500 claims a year are made under AITS. The President has received four representations, in writing, about this reduction.

I know how much the AITS is appreciated by British business. It helps business to secure European and international standards which are supportive of UK competitiveness. Although the administration of the scheme is kept under regular review by both DTI and BSI, we have for the time being no plans for further changes.

Observatories

Mr. Lansley: To ask the President of the Board of Trade if she will make a statement on the level of grant given by the Particle Physics and Astronomy Research Council to *(a)* the Royal Greenwich observatory and *(b)* the royal observatory, Edinburgh, in real terms for each year since 1992. [7492]

Mr. Battle *[holding answer 10 July 1997]:* The Royal Greenwich observatory and the royal observatory, Edinburgh became establishments of the Particle Physics and Astronomy Research Council on 1 April 1994. At that time, the two observatories and the island sites operated as an integrated organisational entity under the control of a single director. Following the establishment of PPARC, the organisation was split into four independent establishments—RGO, ROE, joint astronomy centre, Hawaii, and Isaac Newton Group, La Palma, Canary Islands—each with a separate budget holder. The basis of funding was also changed in 1995–96 to one in which a more arm's-length customer-supplier relationship exists between the island directors and the Gemini Telescopes UK project manager as procurers of telescope instrumentation, and the UK directors of the UK observatories as suppliers.

Island directors and the Gemini Telescopes UK project manager each now receive separate allocations of funds reflecting their responsibility for procurement of instrumentation and telescope construction. Smaller sums are allocated to UK directors to finance core programmes, infrastructure and running costs. The UK directors are then expected to compete to win the available work from the island sites and any similar work that might become available from other sources. Similarly, the island directors and the Gemini project manager are expected to seek out the most cost-effective suppliers, but with the proviso that, where short-term changes to work load within the UK establishments would give rise to significant restructuring costs, restrictions will apply.

The allocations to UK establishments for each year are as follows:

Table 1: Formal allocations

£000

	1994–95	*1995–96*	*1996–97*	*1997–98*
ROE	[1]4,377	814	1,211	[2]1,044
RGO	[1]4,537	828	1,188	[2]603

[1] Estimated apportionment of the 1994–95 outturn.
[2] Provisional allocations.

Table 2: Total expenditure

£000

	1994–95	*1995–96*	*1996–97*
ROE	[1]4,377	[2]3,766	[2]3,778
RGO	[1]4,537	[2]4,284	[2]6,740

[1] Estimated apportionment of the 1994–95 outturn.
[2] Includes formal allocations.

Table 1 clearly demonstrates the substantial fall in baseline funding to UK directors at the time of the introduction of the new structure. Table 2 reflects the additional funding from work won from the customers of each observatory.

Departmental Budgets

Mr. Malcolm Bruce: To ask the President of the Board of Trade what new plans she has to introduce cuts and savings in her Department as a result of the effect on her Department's budgets for 1997–98 and 1998–99 of the upward revisions to the gross domestic product deflators in the Budget on 2 July; and if she will make a statement. [8297]

Mrs. Beckett *[holding answer 14 July 1997]:* All Departments are reallocating spending within their departmental ceilings as part of the comprehensive spending review.

Mr. Bruce: To ask the President of the Board of Trade if, following the recent Budget, she will give her estimate of the total real level of her Department's budget, in 1995–96 prices, in *(a)* 1997–98 and *(b)* 1998–99; if she will estimate what such figures were for (1) 1997–98 and (2) 1998–99 following the November 1996 Budget on the basis of the estimates of the GDP deflator contained in that Budget; and if she will make a statement. [8296]

Mrs. Beckett *[holding answer 14 July 1997]:* The figures requested for my Department's spending plans within the control total, and those of other bodies shown within the trade and industry section of the "Financial Statement and Budget Report", are as follows:

£million

	FSBR July 1997: REAL 1995–96 prices		*FSBR November 1996: REAL 1995–96 prices*	
	1997–98	*1998–99*	*1997–98*	*1998–99*
DTI—				
Programme	2,865	2,768	2,885	2,813
Offer	13	11	13	11
Ofgas	8	6	8	6
Oftel	10	9	10	9
OFT	19	18	19	19
DTI—				
Nationalised Industries	−18	−163	−19	−165
ECGD	9	1	9	1

The figures for 1997–98 have not been adjusted to take account of the summer supplementary estimates presented to Parliament on 8 July but not yet approved.

Exchange Rates

Mr. Letwin: To ask the President of the Board of Trade what representations she has received from exporters about the effects of the current sterling exchange rate. [8688]

Mrs. Beckett: I receive a number of representations on matters relating to exports, including the exchange rate.

Engineering

Mr. Ian Taylor: To ask the President of the Board of Trade what plans there are to follow up the Year of Engineering Success campaign within her Department's activities. [9409]

Mr. Battle: It has always been the intention that one of the major outputs of the Year of Engineering Success should be an on-going commitment by the engineering community to communicate both the importance of engineering to our society and the opportunities the profession offers. This will largely be the responsibility of the engineering professional institutions in partnership with the businesses, whose competitiveness relies on engineers. Additionally, my Department will consider proposals to support specific activities linked to public understanding activities, through the Office of Science and Technology.

Mr. Taylor: To ask the President of the Board of Trade what support she has pledged to the Year of Engineering Success campaign. [9408]

Mr. Battle: My Department has offered £435,000 to assist the Year of Engineering Success. Additional support from the Department for Education and Employment and the Department of the Environment take the total level of government support to £570,000.

In addition to this financial input, my Department will continue to provide ministerial and official support to the campaign, through attendance at relevant events and provision of advice and information to the campaign.

Travel Trade

Mrs. Gillan: To ask the President of the Board of Trade what representations she has received on the statement by the Minister for Competition and Consumer Affairs in Athens on the rebranding of Lunn Poly travel shops; and if she will make a statement. [9428]

Mrs. Beckett *[holding answer 18 July 1997]:* Representations have only been made by Opposition Front-Bench Members and one participant in the travel trade.

Mrs. Gillan: To ask the President of the Board of Trade, pursuant to her answer to the right hon. Member for Wokingham (Mr. Redwood) of 14 July, *Official Report*, column *69*, for what reasons the Minister for Competition and Consumer Affairs decided to rule himself out of the consideration of the Monopolies and Mergers Commission report into the travel trade. [9477]

Mrs. Beckett *[holding answer 18 July 1997]:* My hon. Friend the Member for Edinburgh, South (Mr. Griffiths) decided to stand aside from consideration of the report, in order to avoid any question over whether he could approach the MMC report with an open mind.

Mrs. Gillan: To ask the President of the Board of Trade if she has discussed with the Minister for Competition and Consumer Affairs the content of his public responses during the Athens conference concerning the travel trade. [9429]

Mrs. Beckett *[holding answer 18 July 1997]:* Yes.

Minister for Competition and Consumer Affairs

Mrs. Gillan: To ask the President of the Board of Trade how, and to whom, the Minister for Competition and Consumer Affairs announced that he was stepping down from the consideration of the MMC report on the travel trade. [9951]

Mrs. Beckett *[holding answer 21 July 1997]:* The Minister for Competition and Consumer Affairs first communicated this to me via official channels.

Consumer Issues

Mrs. May: To ask the President of the Board of Trade what action she intends to take in relation to the top three issues listed by hon. Members in responding to the questionnaire on consumer issues. [9443]

Mr. Nigel Griffiths *[holding answer 18 July 1997]:* The top three issues raised by hon. Members in responding to the consumer issues questionnaire were labelling—animal testing—food and drink and advertising standards.

My Department is working on a guidance document on the Cosmetics Regulations 1996 which will address the question of permissible use of animal testing claims on labels.

Food and drink issues are being considered vigorously by my colleagues in MAFF and DOH notably through preparation for the food standards agency, in which I have an input.

I have met the Advertising Standards Authority and the Advertising Association to discuss the concerns shared by parliamentary colleagues and the public.

I would be pleased to meet the hon. Member to discuss the concerns of her constituents.

Working Time Directive

Mr. Fallon: To ask the President of the Board of Trade if she will estimate the total number of employees and self-employed in the United Kingdom in each sector currently excluded from the working time directive, indicating the number in each sector estimated to be non-mobile workers. [9935]

Mr. Ian McCartney: The working time directive excludes certain sectors of activity. The tables provide a broad estimate of the number of workers, both employees and self-employed, in certain sectors and the number of mobile workers in transport sectors. There are, in addition to the numbers in the tables, an estimated 285,000 non-mobile workers in transport-related occupations.

UK employment in sectors excluded from the working time directive (employees and self-employed)

Other excluded sectors[1]	*Total in employment*
Other work at sea (i.e. offshore workers)	30,000
Junior doctors	27,000
Sea fishing	20,000

[1] Various sources.

Transport sector[1]	*Mobile workers*
Air	46,000
Road	674,000
Rail	38,000
Sea and inland waterway	45,000

[1] Source: LFS, Autumn 1996.

Mr. Fallon: To ask the President of the Board of Trade (1) if she will estimate the cost to business in the United Kingdom of extending the full provisions of the working time directive to all non-mobile workers; [9934]

(2) if she will estimate the cost to business in the United Kingdom of extending to all mobile and off-shore workers the provisions of the working time directive regarding breaks, paid annual leave, health assessments for night workers and guarantees of adequate rest and maximum number of hours to be worked annually. [9933]

Mr. McCartney: It is not yet possible to make a meaningful estimate of the costs of extending the provisions of the working time directive to all sectors of activity currently excluded, because we do not have enough details on how any extension would operate. Responses to the proposals in the Commissions's recent White Paper on the subject may give us a better indication of potential costs and benefits.

Mr. Lock: To ask the President of the Board of Trade what plans she has to issue a further consultation document on the implications of the working time directive. [10085]

Mr. McCartney: We are currently finalising our implementation proposals which we aim to bring forward shortly.

Minister for Trade and Competitiveness in Europe

Mr. Redwood: To ask the President of the Board of Trade for what reasons she informed the hon. Member for Wokingham *(a)* on 4 July that the Minister for Trade and Competitiveness in Europe had placed his non-British Petroleum shareholdings in a blind trust and *(b)* on 14 July, *Official Report*, column *68*, that the Minister had not yet done so. [9591]

Mrs. Beckett *[holding answer 18 July 1997]:* My letter of 4 July explained in general terms how the Minister had complied with "Questions of Procedure for Ministers" in the light of discussions with the DTI permanent secretary. From his appointment on 7 May, he deliberately refrained from giving trading instructions to his bank in respect of any of his individual shareholding interests pending completion of the necessary trust arrangements. As that answer also made clear, the Minster put arrangements in

place from the outset to match as closely as possible those of a blind trust until the blind trust arrangements could be completed, which they now have been.

Mr. Letwin: To ask the President of the Board of Trade what correspondence the Minister for Trade and Competitiveness in Europe has entered into in relation to *(a)* thionyl chloride, *(b)* ethyl succinyl chloride, *(c)* propane phosphoric dichloride and *(d)* other similar oil-based chemicals. [9197]

Mrs. Beckett *[holding answer 18 July 1997]:* None.

Mr. Redwood: To ask the President of the Board of Trade (1) when she first was notified that the Minister for Trade and Competitiveness in Europe planned to keep a substantial shareholding in BP for 1997; [9198]

(2) when she received notification from the office of the Minister for Trade and Competitiveness in Europe about which issues and papers the Minister could not deal with; [9199]

(3) when she was first notified that the Minister for Trade and Competitiveness in Europe had not placed his non-BP shares in a blind trust in compliance with "Questions of Procedure for Ministers". [9200]

Mr. Page: To ask the President of the Board of Trade when she was first informed that the Minister for Trade and Competitiveness in Europe had not put all his shares into a blind trust. [9871]

Mr. Bercow: To ask the President of the Board of Trade (1) when she was informed that the Minister for Trade and Competitiveness in Europe intended to place his non-BP investments in a blind trust; [9340]

(2) when she was first informed of the Minister for Trade and Competitiveness in Europe's continued shareholding in BP; [9337]

(3) when she was informed that the legal structure of the transfer of the Minister for Trade and Competitiveness in Europe's non-BP investments was proposed to take effect on 18 June; [9339]

(4) when she was informed that the Minister for Trade and Competitiveness in Europe's non-BP shareholdings had not been placed in a blind trust. [9341]

Mrs. Beckett *[holding answers 18 July 1997]:* "Questions of Procedure for Ministers" makes it clear that the means of compliance with the guidance on investments and avoidance of conflict of interest is for the judgment and decision of individual Ministers, in the light of advice from the relevant permanent secretary if they wish. There was therefore no need for special arrangements to inform me about these matters.

Mr. Redwood: To ask the President of the Board of trade on what occasions the Minister for Trade and Competitiveness in Europe sees papers or attends meetings on energy issues. [9328]

Mrs. Beckett *[holding answer 18 July 1997]:* The Minister sees papers or attends meetings on energy issues if they are relevant to his ministerial responsibilities and do not give rise to conflicts of interest.

Mr. Redwood: To ask the President of the Board of Trade what account was taken of the Minister for Trade and Competitiveness in Europe's shareholding in BP in respect of his signing European Community document CSE (97) 1 final 9000/97. [9651]

Mrs. Beckett *[holding answer 21 July 1997]:* The single market is one of the Minister for Trade and Competitiveness in Europe's main areas of responsibility. That is why he signed EC document CSE (97) 1 final 9000/97. Arrangements are in place to ensure that the Minister is not involved in business which could give rise to a conflict of interest in relation to his BP shareholding.

Mr. Bercow: To ask the President of the Board of Trade on how many occasions policies which might affect BP's actual or potential competitors have been discussed with, or in the presence of, the Minister for Trade and Competitiveness in Europe. [9338]

Mrs. Beckett *[holding answer 21 July 1997]:* From his appointment, the Minister has ensured that he does not participate in discussions which could give rise to a conflict of interest between his ministerial responsibilities and his private interests.

Mr. Bercow: To ask the President of the Board of Trade on how many occasions, and on which dates, she has discussed with the Minister for Trade and Competitiveness in Europe his BP and non-BP shareholdings. [9336]

Mrs. Beckett *[holding answer 21 July 1997]:* I refer the hon. Member to my answer to the right hon. Member for Wokingham (Mr. Redwood) on 14 July, *Official Report*, column *68*.

Mr. Bercow: To ask the President of the Board of Trade for what reasons she stated in her letter to the right hon. Member for Wokingham that the Minister for Trade and Competitiveness in Europe had placed the generality of his investments in blind trusts. [9550]

Mr. Redwood: To ask the President of the Board of Trade what arrangements have been put in place to ensure no conflict of interest arises for the Minister for Trade and Competitiveness in Europe in respect of his non-BP shareholdings. [9704]

Mrs. Beckett *[holding answers 21 July 1997]:* My letter of 4 July explained in general terms how the Minister had complied with "Questions of Procedure for Ministers" in the light of discussions with the DTI permanent secretary. From his appointment on 7 May, he deliberately refrained from giving trading instructions to his bank in respect of any of his individual shareholding interests pending completion of the necessary trust arrangements. As that answer also made clear, the Minister put arrangements in place from the outset to match as closely as possible those of a blind trust until the blind trust arrangements could be completed, which they now have been.

Mr. Flight: To ask the President of the Board of Trade in what circumstances the Minister for Trade and Competitiveness in Europe will renew his shareholding in BP next year. [9949]

Mr. Letwin: To ask the President of the Board of Trade in what circumstances the Minister for Trade and Competitiveness in Europe will be allowed to hold his BP shares after the end of 1998. [9789]

Mr. Redwood: To ask the President of the Board of Trade what factors the Minister for Trade and Competitiveness in Europe will be obliged to take into account when reviewing in January 1998 whether to sell his BP shares. [9649]

Mr. John M. Taylor: To ask the President of the Board of Trade if the Minister for Trade and Competitiveness in Europe will be entitled to hold his BP shares beyond the next budget. [9798]

Mrs. Beckett *[holding answers 21 July 1997]:* The Minister will review the position before 1 January in the light of the guidance in "Questions of Procedures for Ministers", the circumstances at the time, and any advice he may obtain. He will continue to ensure that no conflict arises between his ministerial responsibilities and his private interests.

Mrs. May: To ask the President of the Board of Trade if the Minister of State for Trade and Competitiveness in Europe will handle *(a)* state aid and *(b)* gas liberalisation issues in Europe. [9831]

Mrs. Beckett *[holding answer 21 July 1997]:* The Minister will handle such issues if they fall within his responsibilities and if they do not give rise to a conflict of interest with his private interest in BP.

Mr. Redwood: To ask the President of the Board of Trade what responsibility the Minister for Trade and Competitiveness in Europe has for determining *(a)* whether to (i) subscribe for rights issue shares, (ii) take cash or share dividends, (iii) accept bids and (iv) accept demerger proposals and *(b)* how to receive windfall distributors on the holdings in his non-BP share portfolio. [9650]

Mrs. Beckett *[holding answer 21 July 1997]:* None. The Minister has now completed the arrangements to place his non-BP share portfolio in a blind trust.

Mr. Bercow: To ask the President of the Board of Trade, pursuant to the oral answer from the Minister for Science, Energy and Industry, of 3 July, *Official Report*, column 404, if the possession of a shareholding in BP prohibits the Minister for Trade and Competitiveness in Europe from participation in departmental discussion of energy issues. [9558]

Mrs. Beckett *[holding answer 22 July 1997]:* The Minister sees papers or attends meetings on energy issues if they are relevant to his ministerial responsibilities and do not give rise to conflicts of interest.

Mr. Letwin: To ask the President of the Board of Trade if the Minister of Trade and Competitiveness in Europe will be taking part in the forthcoming discussions about competition and liberalisation in European gas markets. [9790]

Mrs. Beckett *[holding answer 21 July 1997]:* The Minister for Science, Energy and Industry has primary responsibility for the UK's interest in liberalisation of EU gas markets. Lord Simon has responsibility for taking forward the UK's interests in completion of the single market. He is not involved in discussions or decisions which give rise to a conflict of interest.

Official Travel (Costs)

Mrs. Gillan: To ask the President of the Board of Trade what was the total cost of the visit by herself and officials to Japan. [9430]

Mrs. Beckett *[holding answer 18 July 1997]:* On my recent visit to Japan, I was accompanied by my parliamentary private secretary, principal private secretary, special adviser and three DTI officials. The total cost of travel and expenditure in Japan was around £40,000, excluding accommodation, which was provided by the British embassy.

Trade Missions

Mrs. Gillan: To ask the President of the Board of Trade what trade missions the Minister for Trade has undertaken since his appointment. [9455]

Mrs. Beckett *[holding answer 18 July 1997]:* The Minister for Trade had undertaken the following overseas visits since his appointment:

16–19 May: USA

25–27 May: OECD Ministerial in Paris

14–19 June: South Africa

21–27 June: Malaysia/Thailand.

Bank of Credit and Commerce International

Mr. Vaz: To ask the President of the Board of Trade what sums have been recovered to date by the liquidators of BCCI; if she will provide a breakdown of the costs and legal fees incurred in the recovery of that sum; and how much of that sum was *(a)* derived from shareholders' contributions, *(b)* collected from financial institutions, *(c)* derived from loans and advances recovered from borrowers and *(d)* received from the USA. [9894]

Mr. Nigel Griffiths: Information on recoveries by the UK joint liquidators of BCCI together with details of the sources of those recoveries is given in the joint liquidators' report to the Secretary of State made pursuant to regulation 14 of the Insolvency Regulations 1994 and made up to 15 January 1997. Copies of this report have been placed in the Library of the House and a copy was sent to the hon. Member on 30 May 1997.

Biotechnology and Biological Science Research Council

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the Biotechnology and Biological Science Research Council; when the council was established; by what authority; and if she will list the names of the chairman and secretary. [9627]

Mr. Battle: The Science and Technology Act 1965 makes provision for the establishment of research councils. The Biotechnology and Biological Sciences Research Council was incorporated under royal charter on 1 April 1994. The council's mission is set out in the royal charter and is:

to promote and support, by any means, high-quality basic, strategic and applied research and related post-graduate training relating to the understanding and exploitation of biological systems;

to advance knowledge and technology, and provide trained scientists and engineers, which meet the needs of users and beneficiaries—including the agriculture, bioprocessing,

chemical, food, health care, pharmaceutical and other biotechnological-related industries—thereby contributing to the economic competitiveness of the United Kingdom and the quality of life;

to provide advice, disseminate knowledge, and promote public understanding in the fields of biotechnology and the biological sciences.

The chairman of the council is Sir Alistair Grant, chairman of Scottish and Newcastle plc, and the chief executive is Professor Raymond Baker FRS.

Advisory Bodies

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the Advisory Committee for the Joint Environmental Markets Unit; when the committee was established; by what authority; and if she will list the names of the chairman and the secretary. [9631]

Mr. Battle: The Advisory Committee for the Joint Environmental Markets Unit, which comprises officials and business representatives, provides guidance to the joint environmental markets unit in fulfilling its role of helping to promote the UK environmental industry, especially with regard to overseas markets.

The committee was established following consultation between officials in Whitehall and first met in March 1994. Its chairman is currently Mr. Bruce Tremayne and the officials of JEMU provide the secretariat.

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the fuel cells advisory panel; when the panel was established; by what authority; and if she will list the names of the chairman and the secretary. [9639]

Mr. Battle: The key function of the fuel cells advisory panel is to advise my Department on the strategies and plans for the advanced fuel cells programme—a sub-programme within the new and renewable energy programme. The panel was established in 1992 under ministerial authority. The chairman is Mr. Adrian Hyde of the energy technologies directorate, DTI, and the secretary is Mrs. Jackie Tagg of the energy technology support unit.

Mr. Rowlands: To ask the President of the Board of Trade (1) what are the key functions of the regional industrial development boards; when the boards were established; by what authority; and if she will list the names of the chairmen and the secretaries; [9629]

(2) what are the key functions of the Industrial Development Advisory Board; when the board was established; by what authority; and if she will list the names of the chairman and the secretary. [9636]

Mrs. Roche: The Industrial Development Advisory Board advises the Secretary of State on the exercise of her powers under sections 7 and 8 of the Industrial Development Act 1982, "the 1982 Act". Those sections empower the Secretary of State to provide selective assistance, respectively for industry in the assisted areas and for industry generally. IDAB is appointed under section 10 of the 1982 Act and was previously appointed under section 9 of the Industry Act 1972. The main work of IDAB is to advise on individual applications for regional selective assistance when the grant sought is over £2 million. The smaller English RSA cases are considered by the seven non-statutory English regional industrial development boards.

The Scottish Industrial Development Advisory Board advises the Secretary of State for Scotland on the exercise of his powers under section 7 of the 1982 Act. SIDAB is appointed under section 20 of the Scottish Development Agency Act 1975. The main work of SIDAB is to advise on individual applications for RSA when grant sought is more than £250,000.

The Welsh Industrial Development Advisory Board advises the Secretary of State for Wales on the exercise of his powers under section 7 of the 1982 Act. WIDAB is appointed under section 13 of the Welsh Development Agency Act 1975. The main work of WIDAB is to advise on individual applications for RSA when the grant sought is over £250, 000.

The names of the chairman and members are published in the Industrial Development Act 1982 annual report, which is laid before the House every year. The current chairmen of the boards are as follows:

Name	*Board*
Sir Anthony Cleaver	Industrial Development Advisory Board
Mr. D. J. MacLeod CBE CA	Scottish Industrial Development Advisory Board
Mr. K Hodge OBE	Welsh Industrial Development Advisory Board
Mr. P. J. Tizzard	South West Industrial Development Board
Mr. D. K. Wilkinson	Yorkshire and Humberside and East Midlands Industrial Development Board
Mr. R. J. Dickens CBE DL	West Midlands Industrial Development Board
Mr. C. J. Fleetwood	North East Industrial Development Board
Mr. E. E. Anstee	Eastern Industrial Development Board
Mr. G. N. Elliott CBE	North West Industrial Development Board
Mr. A. Willett	London and South East Industrial development Board

Officials of the regional assistance directorate of my Department act as the secretariat of IDAB. Officials of the government offices for England, and of the Scottish and Welsh Offices, act as the secretariats for their respective boards.

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the Welsh Consumer Council; when the council was established; by what authority; and if she will list the names of the chairman and the secretary. [9626]

Mr. Nigel Griffiths: The Welsh Consumer Council is a self-governing committee of the National Consumer Council, a company limited by guarantee established in 1975 to provide an independent, co-ordinated consumer voice. Establishment followed a 1974 White Paper, the statutory authority for Government funding of the NCC being section 20 of the Competition Act 1980. The WCC aims to further action to promote and safeguard the interests of consumers, to ensure that those who take decisions have a balanced and authoritative view of the interests of consumers before them and to insist that the interests of all consumers, including the inarticulate and disadvantaged, are taken into account. Although the WCC

is particularly concerned with issues of relevance to consumers in Wales as part of the NCC, its work is also of UK-wide significance.

The chairman of the WCC is currently Miss Beata Brookes whose appointment term runs to 30 September 1997. Its director is Dr. Nick Pearson.

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the energy advisory panel; when the panel was established; by what authority; and if she will list the names of the chairman and the secretary. [9633]

Mr. Battle: The energy advisory panel was established in 1993, following a commitment by the then Government in their coal review to publish an annual energy report to provide information relevant to business and investment decisions. The panel was formed to advise on the interpretation of information in the report, and its implications for the way markets might develop in the future: and to advise on commissioning special studies, and offer advice on the exercise of responsibilities such as licensing. The panel has no statutory basis.

The current chairman is Sir Geoffrey Chipperfield; the secretary is Rob Potter, an official in DTI's energy policy and analysis unit.

Mr. Rowlands: To ask the President of the Board of Trade what are the key functions of the Renewable Energy Advisory Committee; when the committee was established; by what authority; and if she will list the names of the chairman and the secretary. [9637]

Mr. Battle: The key function of the Renewable Energy Advisory Committee is to advise on the direction and priorities for my Department's new and renewable energy programme, including considerations of environmental appropriateness, economic applicability, and the relative priorities and value for money of those proposed projects within that programme.

The committee was established in 1985 under ministerial authority. The chairman is Mr. Godfrey Bevan, director, energy technologies directorate, DTI, and the secretary is Mrs. Grace Gordon of the energy technology support unit.

Model Trade Association Pamphlet

Mr. Page: To ask the President of the Board of Trade if she will add an environmental responsibility section to future issues of the model trade association pamphlet. [9827]

Mr. Battle: As currently framed, the model states that trade associations are expected to provide sound advice to their members on environmental issues. I will consider expanding on this guidance when the model is revised.

Working Hours

Mr. Martyn Jones: To ask the President of the Board of Trade, pursuant to her answer of 10 July, *Official Report*, column *593*, regarding shorter working hours, if she will take steps to promote the benefit of shorter working hours. [9907]

Mr. Ian McCartney: I shall continue to emphasise the benefits of establishing fair and decent minimum standards at work. We shall implement the EC working time directive without any further unnecessary delay.

Accountancy Firms

Mr. Mitchell: To ask the President of the Board of Trade if he will list the 10 accountancy firms which received the highest amounts of payments from public funds in the last available year. [9863]

Mr. Nigel Griffiths: This information is not held centrally and could be provided only at disproportionate cost.

Biotechnology

Mr. Baker: To ask the President of the Board of Trade what relative weight the Minister for Science, Energy and Industry gave to *(a)* commercial interests, *(b)* animal welfare and *(c)* ethical considerations before deciding to write in the terms he did to Members of the European Parliament in respect of the biotechnology patents directive. [9537]

Mr. Battle *[holding answer 21 July 1997]:* The Commission's proposal for a directive on the legal protection of biotechnological inventions and the report on this proposal by the European Parliament's Legal Affairs Committee are generally consistent with current United Kingdom legislation and practice—the Patents Act 1977—which already balances the needs of industry with ethical considerations, such as animal welfare. In particular, they do not extend or substantially reduce what may be patented, and they set out the same conditions that must be met by an invention if it is to be afforded patent rights. Furthermore, the proposal provides for refusal or revocation of patents relating to transgenic animals if the suffering or handicap to the animal outweighs the benefit pursued. This is the test which is already applied in the United Kingdom.

The Commission's proposal does not seek any change to the nature of the patents system which is currently in operation in the United Kingdom and elsewhere, whereby a patent assists researchers in recouping the costs of their efforts by allowing them to prevent others from using an invention for a limited period, but gives no positive right to use an invention as such. The patent holder must comply with all other legislation and regulations, for instance concerning health, animal welfare and the environment in the making and use of his invention.

British Nuclear Fuels

Helen Jones: To ask the President of the Board of Trade what discussions she has had with BNFL about the transfer of staff to wholly owned subsidiaries of that company. [9213]

Mr. Battle *[holding answer 21 July 1997]:* The transfer of staff to wholly owned subsidiaries of BNFL is a matter for the company. The Department does maintain regular contact with BNFL on a wide range of issues and the Government are kept fully informed of BNFL's commercial developments.

Helen Jones: To ask the President of the Board of Trade if she will make a statement on the Government's policy on the creation of new, wholly owned subsidiary companies by BNFL. [9214]

Mr. Battle *[holding answer 21 July 1997]:* The creation of new, wholly owned subsidiary companies by BNFL is primarily a commercial decision for BNFL. My Department is involved in the approval of BNFL's overall corporate plan and is kept regularly and fully informed on BNFL's commercial developments.

Nuclear Power (Documents)

Mr. Baker: To ask the President of the Board of Trade, pursuant to her answer of 15 July, *Official Report*, column *140*, under what categories of part 2 of the code of practice on access to government information she has decided not to release the 1952 Atomic Energy Board minutes and papers. [9954]

Mr. Battle *[holding answer 22 July 1997]:* The 1952 Atomic Energy Board minutes and papers are being retained under the provisions of section 3(4) of the Public Records Act 1958. The code of practice on access to government information provides access rights to official information. The code does not provide an access right to documents nor is it intended to override statutory provisions on access to public records. A request for information contained in many of the 1952 Atomic Energy Board minutes and papers would have to be refused under exemption 1 in part 2 of the code.

Mr. Baker: To ask the President of the Board of Trade, pursuant to her answer of 15 July, *Official Report*, column *140*, if she will define the areas of sensitivity in the 1952 Atomic Energy Board minutes and papers. [9955]

Mr. Battle *[holding answer 22 July 1997]:* Defence and security considerations comprise the areas of sensitivity in the 1952 Atomic Energy Board minutes and papers.

Information Exchanges

Mr. Baker: To ask the President of the Board of Trade what mechanisms exist for the exchange of information between *(a)* her Department, *(b)* United Kingdom Atomic Energy Agency, *(c)* British Nuclear Fuels, *(d)* British Energy and *(e)* the Ministry of Defence. [9915]

Mr. Battle *[holding answer 22 July 1997]:* No institutionalised links exist for the exchange of information between all these parties, although the Department is in regular contact with UKAEA and BNFL as the sponsor of these organisations, and with the MOD, as necessary, through the normal channels of communication between Government Departments. UKAEA also has a statutory duty to report regularly to the Department, as part of the preparation of its published annual reports and accounts.

British Energy is, of course, a commercial organisation and has the same access to the Department as any other company.

Policy Reviews

Mr. Malcolm Bruce: To ask the President of the Board of Trade if she will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10189]

Mrs. Beckett *[holding answer 22 July 1997]:* The following policy reviews are presently in progress.

The Post Office Review

To examine the options for granting greater commercial freedom to the Post Office to enable it to meet new challenges and opportunities.

It is too early yet to say when the review will be completed.

The Foresight Audit

To establish the level of foresight activity currently under way and to formulate plans for improving co-ordination between Departments.

To report to Ministers by the summer recess.

Export Forum

To review the effectiveness of current official export promotion programmes and to make recommendations for a new export initiative.

To report to Ministers by the autumn.

The Utilities Review

To review the regulation of the utility industries to ensure that they deliver value, quality and choice to the consumers.

To be completed by the end of the year.

There are currently no further policy reviews scheduled.

Hawk Aircraft

Ann Clwyd: To ask the President of the Board of Trade (1) what assessment she has made of the compliance of the sale of Hawk aircraft to Indonesia with the Government's policy of taking account of human rights in respect of the export of arms and equipment; [10268]

(2) what representation she has received in respect of external legal opinions on the cost of revoking licences previously given for the export of Hawk aircraft to Indonesia; and if she will make as statement; [10264]

(3) what evidence she has evaluated on the use of Hawk aircraft in East Timor since 1994; and if she will make a statement; [10262]

(4) if she will place in the Library the legal opinion her Department obtained on the sale of Hawk aircraft to Indonesia and the possible cost of revoking licences previously given. [10260]

Mrs. Roche: I refer my hon. Friend to the answer given to her today by the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Leeds, Central (Mr. Fatchett).

Insolvency

Miss Melanie Johnson: To ask the President of the Board of Trade how many insolvency practitioners are currently licensed by her Department; and what was the number five years ago. [9823]

Mr. Nigel Griffiths: The Secretary of State currently authorises 133 insolvency practitioners. In 1992, the corresponding figure was 148.

Miss Johnson: To ask the President of the Board of Trade how many practitioners appointed by the Insolvency Service have been discharged from Insolvency Service work over each of the last 10 years. [9822]

Mr. Griffiths: Practitioners may be appointed by the Secretary of State to act as liquidator in a compulsory liquidation or as trustee in a bankruptcy. In such cases, the practitioner may be removed either by an order of court or by a meeting of creditors summoned specially for that purpose or by the Secretary of State. Records of the number of cases where a practitioner has been removed are not maintained, but there have been few cases in the past 10 years where the Secretary of State has removed a liquidator or trustee.

Miss Johnson: To ask the President of the Board of Trade what arrangements she has put in place to monitor the performance of insolvency practitioners appointed by the Insolvency Service; and on what basis their fees are *(a)* set and *(b)* regulated. [9821]

Mr. Griffiths: Insolvency practitioners appointed by the Secretary of State are, in common with all authorised insolvency practitioners, subject to a formal programme of monitoring visits by their authorising body. The visits are intended to assess whether a practitioner is fit and proper and to promote compliance with statutory obligations and best practice.

The fees of insolvency practitioners in liquidations and bankruptcies are subject to the approval of the liquidation committee or creditors committee respectively or by the creditors in general meetings. If there is no committee and no resolution of the creditors, the practitioner is entitled to be paid in accordance with the scale corresponding to what would have been paid to the official receiver if he were acting as liquidator or trustee. If either the liquidator or the creditors are dissatisfied with the level at which the remuneration has been fixed, there is provision for an application to be made to the court for the amount to be varied.

Research Councils

Mr. Miller: To ask the President of the Board of Trade if she will make a statement about the framework within which the Office of Science and Technology and the research councils operate. [10588]

Mr. Battle: From 1 April this year, the partnership between the Department of Trade and Industry and the Biotechnology and Biological Sciences Research Council, the Economic and Social Research Council, the Engineering and Physical Sciences Research Council, the Natural Environment Research Council, the Medical Research Council and the Particle Physics and Astronomy Research Council was defined within new combined management statements and financial memoranda which set out clear and comprehensive frameworks of respective responsibilities and accountabilities. These documents combine the provisions of a management statement and a financial memorandum and replace:

the resource management arrangements (RMA) introduced in 1989;

the letters dated 19 May 1994 from the Chancellor of the Duchy of Lancaster to the chairman of councils;

the existing financial memoranda.

Copies of these documents have been placed in the Library of the House.

The Council for the Central Laboratory of the Research Councils has operated under a combined management statement and financial memorandum since its formation on 1 April 1995. This document is currently under review and the revised version will be published in due course.

Insurance Industry

Mr. Radice: To ask the President of the Board of Trade if she will make a statement about the future regulation of the insurance industry. [10589]

Mrs. Beckett: The insurance industry is a key—and highly successful—part of the United Kingdom's financial services sector. In 1995, it earned worldwide premium income of some £92 billion—equivalent to 14.3 per cent. of gross domestic product—and invisible earnings of £5.4 billion.

It has long been an anomaly that, alone among financial services, prudential supervision of the insurance industry, has been carried out by the ministerial Government Department rather than an arm's-length body. The announcement by my right hon. Friend the Chancellor of the Exchequer that the Government will be bringing forward legislation to create a new enlarged financial services regulatory body is an opportunity to put this right. I have therefore agreed with my right hon. Friend that, when the new unified regulatory body has been established, it should assume responsibility for the insurance supervisory functions presently carried out by my Department. The Prime Minister has agreed that the Treasury will assume ministerial responsibility for insurance matters and a transfer of functions order will be brought forward as soon as possible.

Procurement Policy

Ms Shipley: To ask the President of the Board of Trade if she will make a statement about the respective roles of her Department and Her Majesty's Treasury in procurement policy. [10590]

Mrs. Beckett: At present, the Treasury is responsible for all aspects of public procurement policy. This includes public spending and value for money, both core Treasury functions, as well as EU and World Trade Organisation public procurement policy in which DTI has the major interest because of its responsibilities for completion of the single market and for trade policy. In my view, and that of my right hon. Friend the Chancellor of the Exchequer, the time has come to address this anomaly. He and I have agreed that our Departments should be jointly responsible for the procurement policy team, which is concerned primarily with UK procurement policy and the EC public procurement directives.

The team will report to senior officials and Ministers in DTI on EU and WTO public procurement policy and to Treasury officials and Ministers on other issues. Officials will agree a short memorandum of understanding setting out the respective responsibilities and arrangements for ensuring co-ordination with other units

in both Departments. A similar model of joint responsibility with the Foreign and Commonwealth Office already operates successfully in DTI in respect of the Joint Export Promotion Directorate and the Invest in Britain Bureau.

Trade Policies

Dr. Tonge: To ask the President of the Board of Trade (1) what new trade policies her Department is developing to promote international development and poverty eradication; and if they will be included in the proposed White Paper on international development; [9000]

(2) what new investment policies her Department is developing to promote international development and poverty eradication; and if they will be included in the proposed White Paper on international development. [9026]

Mrs. Roche: A liberalised trade and investment climate is essential for international development and poverty alleviation and my Department will continue to develop policies that promote open markets. One of our key priorities is to facilitate the integration of developing countries into the multilateral trading system and to encourage these countries to maximise their potential to attract and retain investment. The Government's forthcoming White Paper on international development will set out the detail of policies designed to achieve these objectives.

Ministerial Visits

Mr. Fallon: To ask the President of the Board of Trade if she will list the businesses visited by each Minister in her Department since their appointment indicating the date of each visit. [7668]

Mrs. Beckett *[holding answer 10 July 1997]:* My Ministers have, of course, met a wide range of business people at meetings in the office, on overseas visits, conferences, trade shows, luncheons, dinners, receptions and constituency engagements. In addition, my Ministers and I have visited the following businesses since being appointed.

	Venue	*Date*
President of the board of Trade		
Rolls-Royce	Derby	13 June
PowerGen	Connahs Quay, North Wales	4 July
Lord Clinton-Davis		
Airports Co. Ltd.	Johannesburg, South Africa	17 June
Anglo-American Corporation	Johannesburg, South Africa	18 June
Gencor	South Africa	18 June
United Utilities Asia Pacific	Kuala Lumpar, Malaysia	23 June
Taylor Woodrow Construction	Kuala Lumpar, Malaysia	24 June
Multimedia Development Corporation	Kuala Lumpar, Malaysia	24 June
Standard Chartered Bank	Kuala Lumpar, Malaysia	24 June
Boots Store	Siam Centre, Thailand	26 June
John Battle		
Ericsson	Haslemere, Surrey	6 June
BP	Baku, Azerbaijan	2 June
NPL	Teddington, Middx	2 July
Amoco	Teeside	4 July
Lord Simon	None	
Barbara Roche		
Tottenham Task Force	London	8 May
Birmingham NEC	Birmingham	4 June
Business Link	Solihull	4 June
HSBC Holdings	London	10 June
North London Chamber of Commerce	London	11 June
Efteh Europa	Mansfield	12 June
Roy Lowe and Sons	Mansfield	12 June
Business Link, Leicester	Leicester	12 June
Schahin Cury	Brazil	16 June
Cultura Inglesa	Brazil	17 June
Shell	Brazil	18 June
Glaxo Wellcome	Brazil	19 June
North London Chamber of Commerce	London	01 July
Vision Interactive	Bristol	09 July
Business Link West	Bristol	09 July
Ian McCartney	None	
Nigel Griffiths	None	

Written Answers to Questions

Thursday 24 July 1997

HOME DEPARTMENT

Immigration

Mr. Livsey: To ask the Secretary of State for the Home Department what proposals he has to share information on immigration matters with other EU states. [9835]

Mr. Mike O'Brien: The participation of member states of the European Union in the work on immigration and asylum policy taken forward under the third pillar provides a framework for the sharing of information on immigration matters. The clearing houses, CIREA and CIREFI, have been established for this purpose. The United Kingdom participates fully in these arrangements. Additionally, we exchange information bilaterally with other European Union countries where there is a particular reason to do so.

Minimum Sentences

Mr. Clappison: To ask the Secretary of State for the Home Department when he plans to announce his decision as to whether or not to implement the provisions of the Crime (Sentences) Act 1997 relating to minimum sentences for persistent burglars and drug dealers. [10369]

Mr. Michael: An announcement will be made as soon as we have completed our consideration of the relevant provisions of the Crime (Sentences) Act 1997.

Lighter Fuel Products

Mr. Hanson: To ask the Secretary of State for the Home Department if he will undertake consultations with interested parties with regard to the prohibition of the sale and supply of cigarette lighter fuel products to persons under the age of 16 years. [10222]

Mr. George Howarth: Under the Intoxicating Substances (Supply) Act 1985 it is an offence to supply a substance to a person under 18 knowing or having reasonable cause to believe that the substance is, or its fumes are, likely to be inhaled for the purpose of causing intoxication. We agree with the view of the Advisory Council on the Misuse of Drugs that amendment of this legislation would be unlikely to increase the level of protection of children, although work with the industry continues in order to reduce the extent to which lighter fuel refills can be abused.

Compulsory Competitive Tendering

Mr. Todd: To ask the Secretary of State for the Home Department what plans he has to replace compulsory competitive tendering with a duty on police authorities to obtain best value. [10867]

Mr. Michael: The Government are keen to involve the police service in the development of best value, and it will be open to police authorities to bid to be included in the pilot scheme to run best value projects announced today by my hon. Friend the Minister for Housing and Local Government.

As part of our proposals to drive forward best value in the police service, we will encourage all police authorities, whether or not they are selected for pilot status, to co-operate in the development of best value by building on work already under way to promote value for money initiatives.

At the same time, my hon. Friend's proposals to modify the current compulsory competitive tendering regulations and guidance, also announced today, will form the basis of discussions between my officials and representatives of the police service and police authorities.

Huntingdon Life Sciences

Ms Fiona Jones: To ask the Secretary of State for the Home Department what action he has taken in response to the allegations against Huntingdon Life Sciences broadcast on television on 26 March. [10874]

Mr. George Howarth: We were extremely concerned about the events shown in the Channel 4 programme "Countryside Undercover: It's A Dog's Life", and we know that these concerns are shared by members of the public, and by scientists and animal technicians, the vast majority of whom are responsible and caring towards animals.

The Home Office took prompt and firm action. On the morning after the programme was broadcast, the Home Office asked the police to investigate possible offences under the Protection of Animals Act 1911 and, as a result, two individuals have been charged with such offences. In replying to this question, we cannot therefore comment, at this time, about these two individuals or their actions as this might prejudice the prosecutions.

The chief inspector, who heads the animals (scientific procedures) inspectorate, has also carried out a comprehensive and detailed investigation into the allegations arising from the programme and into the management and control of animal work at the establishment. We understand that in excess of 250 man-hours of time were spent in viewing more than 20 hours of unbroadcast video material, studying journals and company records, visiting the establishment and interviewing staff (both present and ex-employees). A report detailing his findings and recommendations was submitted to the Home Office last week and we commend the chief inspector for the speed and thoroughness of his investigation.

The investigation has shown breaches of two of the standard conditions which apply to all certificates of designation. Shortcomings relating to the care, treatment and handling of animals, and delegation of health checking to new staff of undetermined competence demonstrate that the establishment was not appropriately staffed and that animals were not at all times provided with adequate care.

My right hon. Friend therefore proposes to revoke the certificate of designation for this establishment, subject to

the consideration of any representations made under section 12 of the Animals (Scientific Procedures) Act 1986. However, if the proposed revocation took immediate effect, we estimate that up to 1,000 dogs; 10 baboons; 200 marmosets; 450 macaques; 13,000 mice; 35,000 rats; 2,000 rabbits; 4,000 guinea pigs; 3,000 birds; 4,000 fish; and smaller numbers of various other species undergoing scientific procedures would have to be destroyed. In addition, any ongoing work might need to be repeated; this would require the use of more laboratory animals. It is therefore proposed that the revocation will take effect on 30 November 1997.

Revocation would shut down the company with the consequent loss of 1,400 jobs. Whilst the failures and omissions at the establishment are extremely serious, this outcome would not necessarily be warranted. An application for a replacement certificate could, therefore, be considered if my right hon. Friend can be assured that measures have been put in place to prevent any recurrence of the events shown in the television programme. Sixteen stringent conditions have been set which must be met before any new application can be considered.

In addition to the two individuals facing prosecution, my right hon. Friend proposes to revoke the personal licence of a third animal technician—again, subject to the right to make representations—and it has been decided that letters of admonition should be sent to two other technicians.

The Home Office, and specifically the animals (scientific procedures) inspectorate, was criticised for having missed alleged mistreatment, for failure to implement the requirements of the "Code of Practice for the Housing and Care of Animals Used in Scientific Procedures", and for having conducted inspections during which no checks were made on the animals being cared for by the undercover investigator.

We are satisfied that any alleged mistreatment of animals would not have taken place in front of inspectors; that there was compliance with the code of practice; and that an appropriate proportion of inspectorate resources was directed at the establishment concerned. On each of the visits of inspection witnessed by the investigator, animals in other parts of the dog unit were checked and the performance of regulated procedures observed. The current inspection policy will, however, be reviewed and we have already announced that we will be considering ways of strengthening the inspectorate.

Whilst no breaches of the "Code of Practice for the Housing and Care of Animals Used in Scientific Procedures" were identified, we are aware of public concern about the conditions in which the dogs were kept. We have, therefore, decided that the inspectorate will audit all commercial dog facilities to identify best practice and innovations with respect to the housing and care of animals, and that this information will be used to inform national standards.

It has also been deduced that the need for a code of conduct for the control of dogs and other species in all establishments should be considered.

The Animal Procedures Committee is keen to consider and promulgate to establishments any other general lessons which can be learned in order to help prevent similar occurrences in the future. We welcome this.

The chief inspector's report contains information which was provided in confidence and which cannot, therefore, be disclosed under section 24 of the Animals (Scientific Procedures) Act 1986. It cannot therefore be published in full.

Prison Service

Mr. Hopkins: To ask the Secretary of State for the Home Department if he will make a statement on the resources available to the Prison Service. [10940]

Mr. Beith: To ask the Secretary of State for the Home Department what are his plans for budgetary adjustments within the Prison Service to reflect the forecast rise in the prison population in each of the next three years. [10098]

Mr. Straw: In order to ensure that the Prison Service can accommodate the projected numbers safely, it will be able to spend up to an extra £43 million during this year and next. This will create 290 new places on top of the existing building programme, and provide additional staffing and funding for regime activities to support the placing of an additional 1,830 prisoners in existing accommodation, 630 of whom are already being detained.

I will tomorrow place in the Library a report of the findings of the audit of Prison Service resources which has been carried out in accordance with our manifesto.

Operation Quantum

Mr. Beith: To ask the Secretary of State for the Home Department for what period the contract for Operation Quantum will be awarded. [10091]

Ms Quin: It is anticipated that any contract will be awarded for a period of up to 10 years from completion of implementation.

Mr. Beith: To ask the Secretary of State for the Home Department what estimate he has made of the number of posts remaining within the Prison Service at administrative and executive grades after the completion of Operation Quantum. [10096]

Ms Quin: I am not in a position to make an estimate of the number of posts which will remain within the Prison Service at this stage. Final decisions have not yet been made on the scope of the project, nor on whether the services in question should be contracted-out or remain in-house.

Mr. Beith: To ask the Secretary of State for the Home Department which companies have been invited to tender for Operation Quantum. [10089]

Ms Quin: The Prison Service has not yet issued invitations to tender for Quantum. Three suppliers have taken part in a study of the Prison Service's requirements. These are:

PRISM—a special vehicle company comprising Sema Group, Bull, Deloitte & Touche Consulting, Serco, Premier Prison Services Ltd. and CSL.

EDS—with A. T. Kearney, Lockheed Martin and Securicor Custodial Services.

Team Novus—Comprising ICL, Group 4 (Securitas), Perot Systems and Capita.

Geoffrey Thomas

Mr. Beith: To ask the Secretary of State for the Home Department (1) if he will place in the Library a copy of the report of the Prison Service inquiry into the death of Geoffrey Thomas; [10094]

(2) if an offer of compensation to Mrs. Marina Davis, the mother of Geoffrey Thomas whose death was the subject of the Prison Service inquiry has been made; and what negotiations regarding the matter are in progress; [10093]

(3) for what reasons the disciplinary proceedings against five members of the staff of Cardiff prison arising out of the use of physical restraints upon Geoffrey Thomas whilst a patient in the University Hospital of Wales at Cardiff have commenced and been adjourned; and on what date the proceedings will re-commence. [10095]

Ms Quin: At present, the Prison Service does not publish investigation reports into the deaths of prisoners. The policy on the disclosure of such reports is currently being reviewed.

The Prison Service has not made an offer of compensation to Mrs. Marina Davis in respect of her son, Geoffrey Thomas, and no approach has been made to the service by her, or her representatives regarding compensation.

Disciplinary proceedings were instituted against five members of staff at Cardiff prison following the death of Geoffrey Thomas. The first hearing took place on 19 May. Three of the cases have been concluded: one case was proven and two were not.

The Prison Governor's Association has questioned the legality of the actions of the governor in the investigation of the cases. The disciplinary proceedings against the other two members of staff were suspended on 22 May, pending the resolution of these legal issues.

LORD CHANCELLOR'S DEPARTMENT

Barristers

Mr. Mitchell: To ask the Parliamentary Secretary, Lord Chancellor's Department how many barristers were paid *(a)* £100,000 to £249,999 and *(b)* £250,000 or over out of public funds in the last available year. [9191]

Mr. Hoon: The information requested is not readily available and could be obtained only at disproportionate cost.

Public Record Office

Mr. Matthew Taylor: To ask the Parliamentary Secretary, Lord Chancellor's Department for what reasons officials from the Public Record Office are carrying out a review to estimate the cost of opening Government files after *(a)* 20 and *(b)* 25 years; what are the terms of reference of this review; when it began; when it is expected to end; and if copies of the report arising out of the review will be made available to the public. [9469]

Mr. Hoon: The work forms part of the preparation of the Government's White Paper on freedom of information, which will be published later in the year.

Ethnic Minorities

Mr. Vaz: To ask the Parliamentary Secretary, Lord Chancellor's Department how many and what percentage of civil servants in each of grades 1 to 7, SEO and HEO in his Department are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9566]

Mr. Hoon: For the Lord Chancellor's Department, including the Court Service and the Public Trust Office, the information, as at 18 July 1997, is set out in the table. Figures and percentages are based upon a 91 per cent. response to a voluntary staff survey of ethnic origin. There is no legislative requirement to monitor the ethnic origin of Northern Ireland Court Service employees and no figures are available. I have asked the chief executives of the Land Registry and the Public Record Office to reply separately.

	Respondents of Asian origin	*Percentage*	*Respondents of Black African and Black Caribbean origin*	*Percentage*
Grade 1	—	—	—	—
Grade 2	—	—	—	—
Grade 3	—	—	—	—
Grade 4	—	—	—	—
Grade 5	—	—	—	—
Grade 6	[1]—	1.63	—	—
Grade 7	[1]—	1	[1]—	0.5
SEO	[1]—	0.38	[1]—	0.38
HEO	11	1.18	12	1.28

[1] In order to preserve the anonymity of individuals, figures of five or less are not specified.

Letter from Stuart Hill to Mr. Keith Vaz, dated 24 July 1997:

I have been asked by the Parliamentary Secretary, Lord Chancellor's Department, to reply to your recent question concerning the number of staff within two ethnic categories.

Following a Grading and Pay Review the Land Registry has moved to a new system of grades for staff below the Senior Civil Service. The new grades are shown against the Civil Service equivalents.

The information is as follows:

Grade	*Civil Service equivalent*	*Asian origin*		*Afro-caribbean origin*	
		Number	*Percentage*	*Number*	*Percentage*
Senior Civil Service	—	1	5.56	0	—
Senior Registration Assistant 1	Grade 6	0	—	0	—
Senior Registration Assistant 2	Grade 2	0	—	0	—
Senior Registration Assistant (Lawyer)	Grade 6 or 7	2	1.83	0	—
Registration Executive 1	SEO	3	1.10	1	0.37
Registration Executive 2	HEO	6	1.20	1	0.20

The percentage figures are expressed as a percentage of staff within each grade who responded to the ethnic survey. The overall response rate is 94.4 per cent. within the Land Registry.

Letter from Sarah Tyacke to Mr. Keith Vaz, dated 24 July 1997:

The Lord Chancellor's Parliamentary Secretary has asked me to reply for the Public Record Office to your question about the numbers and percentages of civil servants of Asian and of Afro-Caribbean origin.

The details are set out below. Most of our staff are covered by our own payband system and I have given the approximate civil service grade equivalents for guidance.

Grade/Band	*Staff of Asian origin*	*Percentage of total*	*Staff of Afro-Caribbean origin*	*Percentage of total*
Civil Service Grade 1	No staff in this grade	—	—	—
Civil Service Grade 2	No staff in this grade	—	—	—
Civil Service Grade 3	0	0	0	0
Civil Service Grade 4	No staff in this grade	—	—	—
Civil Service Grade 5	0	0	0	0
PRO Band 1 (Civil Service Grades 6 and 7)	0	0	0	0
PRO Band 2 Civil Service Grades 8 and 9 (SEO, HEO) and equivalents	0	0	1	2.0
PRO Band 3 Civil Service Grades 9 and 10 (HEO, EO) and equivalents	1	1.9	0	0

Employment Advertisements

Ms Perham: To ask the Parliamentary Secretary, Lord Chancellor's Department how often since 1992 his Department has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9501]

Mr. Hoon: This reply is given on behalf of the Court Service, the Land Registry, the Northern Ireland Court Service, the Public Record Office, Lord Chancellor's Department headquarters and its associated offices, and the Public Trust Office.

The Land Registry and the Public Record Office do not include age restrictions in their recruitment advertisements.

An advertisement for a combined recruitment scheme for direct entrant executive officers in the Court Service, Public Trust Office and LCD HQ in 1992 contained age restrictions; but there have been no instances since then when either the Public Trust Office or LCD HQ have included upper or lower age limits in their advertisements.

As regards the Court Service, all advertisements for usher and bailiff posts until July last year specified a lower age limit. As such advertisements were placed locally by the courts concerned, it would not be possible to identify how often they have appeared between 1992 and July 1996 without incurring disproportionate cost.

The Northern Ireland Court Service has included age restrictions in 18 advertisements placed since the beginning of 1992.

In addition, there have been around 25 occasions on which advertisements for judicial appointments have been placed since October 1994, all of which will have included upper and lower age limits.

SCOTLAND

Statistics

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to ensure that those statistics on *(a)* poverty and *(b)* other social issues currently available only on a United Kingdom basis are published on a Scottish basis. [6631]

Mr. Wilson: The Scottish Office, the Office for National Statistics and other Government Departments work closely together to publish a wide range of official statistics for Scotland and for the UK. Working across government, the Government statistical service has recently initiated several related development tasks aimed at improving the range, value and accessibility of official statistics. Scottish Office GSS staff are closely involved in that work. They are reviewing what statistical information is published about Scotland and how it is made available, consulting closely with local authorities, the Convention of Scottish Local Authorities and other key customers.

Wherever possible, key statistical information is published at both Scotland and UK level. Where data are based on surveys, however, the sample size may be too small to allow statistically reliable data to be produced. In other cases, strict comparisons between Scotland and the rest of the UK may not be possible, or must be treated with caution, because of differences between the systems, such as in education.

The latest edition of "Regional Trends", published by ONS on Thursday 10 July, gives key social and economic statistics for both Scotland and the UK. Information at UK level on those with low incomes is available in "Households Below Average Income", published annually by the Department of Social Security and the latest edition, for 1993–94 data, included some information for Scotland.

Residential Care

Mr. Gorrie: To ask the Secretary of State for Scotland how many people in each local authority area currently *(a)* receive residential care allowance and *(b)* do not receive residential care allowance because they are in local authority homes. [9611]

Mr. Galbraith: *(a)* The payment of residential care allowances is the responsibility of my right hon. Friend the Secretary of State for Social Security. Figures for each local authority area are not available. Current data

published by the Department of Social Security for August 1996 indicate, on the basis of a sample survey, that the estimated number of people in Scotland receiving residential care allowance was 13,000. This figure includes people in residential care homes and nursing homes.

(b) The latest available information is for 31 March 1996 and is set out in the table.

Residents in local authority residential care homes: Scotland—31 March 1996

Local authority	*Number of residents*
Aberdeen	425
Aberdeenshire	363
Angus	220
Argyll and Bute	173
Clackmannanshire	34
Dumfries and Galloway	275
Dundee	451
East Ayrshire	131
East Dunbartonshire	52
East Lothian	152
East Renfrewshire	44
Edinburgh	652
Falkirk	205
Fife	479
Glasgow	1,140
Highland	361
Inverclyde	70
Midlothian	143
Moray	143
North Ayrshire	127
North Lanarkshire	456
Orkney Islands	77
Perth and Kinross	249
Renfrewshire	282
Scottish Borders	212
Shetland Islands	63
South Ayrshire	167
South Lanarkshire	442
Stirling	158
West Dunbartonshire	245
West Lothian	191
Western Isles	163
Scotland	8,345

Mr. Gorrie: To ask the Secretary of State for Scotland how many hospital patients are currently occupying beds in each health board area because of local authorities' inability to provide placements in nursing homes. [9699]

Mr. Galbraith: In March 1997, health boards reported that around 750 patients throughout Scotland were ready for discharge from hospital but were awaiting appropriate accommodation and packages of care in the community, including in nursing homes. There are many reasons why such patients may need to remain in hospital. Information on the number of patients ready for discharge to the community is not collected routinely.

Nursery Places

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to provide additional funding for nursery places in 1998 to match the current year's provision. [9615]

Mr. Wilson: Some £67 million has been set aside for provision of pre-school education in Scotland in 1998–99 compared with £47.3 million in 1997–98. This will enable Government funding of part-time education on the current basis for all children in the pre-school year. Local authorities also use their discretion to spend additional sums on pre-school education, funded from other resources. Since we are constrained by existing funding, I have no plans to make additional finance available at present.

School Bus Drivers

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to arrange for school bus drivers to be *(a)* trained and *(b)* given powers to control any misbehaviour by passengers. [9612]

Mr. Wilson: The training of school bus drivers is a matter for the operator and the relevant education authority. The Public Service Vehicle (Conduct of Drivers, Inspectors, Conductors and Passengers) Regulations 1990 enable a bus driver to remove any passenger who puts at risk, or unreasonably impedes, or causes discomfort to, any other passenger or to operating staff and to request a police constable to remove such a person. If the vehicle is operating under contract to an education authority, any additional grounds on which drivers may refuse the right of carriage are a matter for the operator under the terms of the contract. It is for each education authority to decide whether to provide supervisors on buses hired by them. In doing so, they will take into account that education authorities' common law duty of care for pupils is supplemented by a statutory duty under the Schools (Safety and Supervision of Pupils) (Scotland) Regulations 1990 to take reasonable care for the safety of pupils when under their care.

Teachers

Mr. Gorrie: To ask the Secretary of State for Scotland what proposals he has to enhance the role of the General Teaching Council to provide quality control of Scottish teachers during their career. [10168]

Mr. Wilson: I shall give very careful consideration to how any extension of the GTC's current remit would best contribute to our objectives of increasing standards in education and making every teacher an effective teacher. I intend to consult fully on this and to bring forward proposals thereafter.

Mr. Gorrie: To ask the Secretary of State for Scotland if he will set out the age profile of primary and secondary teachers in Scotland. [10169]

Mr. Wilson: The latest available information is given in the table.

Age profile of teachers in publicly funded primary and secondary schools in Scotland at September 1994

Age[1]	*Number of teachers (full-time equivalent)*	
	Primary	*Secondary*
Under 25	1,074.9	614.2
25 to 29	1,872.0	1,585.5
30 to 34	1,578.1	2,299.9
35 to 39	3,291.6	4,050.5
40 to 44	5,425.2	5,849.5
45 to 59	4,583.5	5,289.2
50 to 54	2,604.2	2,893.8
55 to 59	1,511.0	1,467.5
60 and over	276.0	347.5
Total	22,216.5	24,397.6

[1] Age as at September 1994.

Travel to London

Mr. Gorrie: To ask the Secretary of State for Scotland what estimate he has made of the number of journeys each year made by people travelling from Scotland to meet Ministers, civil servants or hon. Members in London. [10170]

Mr. Dewar: I know there is a large volume of such journeys but the Scottish Office does not quantify them.

Infertility Treatment

Mr. Davidson: To ask the Secretary of State for Scotland if he will list *(a)* the methods of artificial fertilisation available in Scotland indicating those methods funded by each health board and *(b)* the number of patients treated by each method (i) broken down by health board and (ii) in total for each of the last five years. [10011]

Mr. Galbraith: Infertility services are divided into three levels. Level 1 services are provided by a general practitioner or general gynaecologist while level 2 services, involving more advanced investigation and treatment, are normally provided by a specialist. Level 3 infertility services are high technology procedures and are available at four centres in Scotland. The range of level 3 treatments provided in Scotland are:

Invitro fertilisation—IVF

Intra-cytoplasmic sperm insemination

Cryopreservation of embryos and replacement cycles

Oocyte donation

Super ovulation with intra-uterine insemination

Donor insemination

Embryo and sperm freezing and storage

Tubal microsurgery and ovulation induction.

Levels 1 and 2 infertility services are provided by all health boards. Individual health boards determine the provision of level 3 infertility services. I understand that all health boards provide level 3 IVF services for patients who meet specific criteria.

Information on other level 3 methods funded by health boards and the number of patients treated by each method under each level is not routinely collected.

Education (Fees and Awards) (Scotland) Regulations

Mr. Ernie Ross: To ask the Secretary of State for Scotland what plans he has to revise the Education (Fees and Awards) (Scotland) Regulations. [10870]

Mr. Wilson: I confirm that an amendment to the Education (Fees and Awards) (Scotland) Regulations 1997 will be laid before Parliament to introduce a requirement of being settled in the United Kingdom under the immigration laws. The amendment will add this requirement to the existing residency criteria for establishing a "relevant connection" for the purpose of student fee classifications by institutions and the rules of candidate eligibility for certain awards which may be adopted under the regulations.

Registers of Scotland

Mr. Ernie Ross: To ask the Secretary of State for Scotland if he will make a statement about the targets he expects Registers of Scotland to achieve in the three-year period 1997 to 2000. [10871]

Mr. Dewar: I have set Registers of Scotland the following key targets for 1997–2000:

for the trading fund to achieve a return of 6 per cent. on net capital employed over the three-year period ending 31 march 1999 and on a rolling basis thereafter;

to continue the land register's extension programme and achieve the transfer of the counties of Perth, Angus and Kinross on 1 April 1999; Berwick, East Lothian, Roxburgh, Selkirk and Peebles on 1 October 1999; and Argyll and Bute on 1 April 2000;

to maintain and enhance customer service through the retention of charter mark and by improving customer satisfaction on first registration turnround times to 75 per cent. by 31 March 2000;

to reduce progressively the turnround time for sasine writs to 25 days by 31 March 1999 and 23 days by 31 March 2000;

to reduce progressively the turnround time for dealings with whole on the land register to 25 days by 31 March 1999 and to remain at 25 days during 1999–00;

to reduce unit costs by 5 per cent. in real terms for sasine writs by 31 March 2000 from the base of £33.07 at 31 March 1997;

to reduce unit costs by 2.4 per cent. in real terms for dealings with whole by 31 March 2000 from the base of £56.05 at 31 March 1997;

to launch a direct access service to existing pilot customers by 30 April 1997; and

to complete the conversion of the existing land register counties to a digitised map and computer-based text system by 31 October 1997.

Land Register (Scotland) Act 1979

Mr. Ernie Ross: To ask the Secretary of State for Scotland what progress has been made in extending registration of title under the Land Register (Scotland) Act 1979 to further areas of Scotland; and if he will make a statement. [10872]

Mr. Dewar: The original programme to extend the land register was announced in 1992. At that time, the counties of Renfrew, Dunbarton, Lanark and the barony and regality of Glasgow were already on the land register. Since 1992, the counties of Clackmannan, Stirling, West Lothian, Fife, Aberdeen, Kincardine, Ayr, Dumfries, Kirkcudbright and Wigtown have been made operational. The areas where the land register currently operates over 60 per cent. of total housing stock.

Following the 1994 report of the Committee of Public Accounts, "Registers of Scotland: Service to the Public" Cmd 2739, the keeper of the registers considered whether the programme should be amended. A revised programme was adopted in 1996.

Registers of Scotland is now operating as a trading fund. Because it has been experiencing unexpected difficulties in assimilating its new computer systems, and in order that it can meet its objectives in its first three years of its trading fund status, I have now approved a revised programme for the remaining counties as shown below. The main change is simply that no new counties

will be taken into the land register in 1998, but the year 2003 remains the target date for completion of the extension programme.

Land Register Extension Programme: 1997

April 1999

Angus

Kinross

Perth.

October 1999

Berwick

East Lothian

Peebles

Roxburgh

Selkirk.

April 2000

Argyll

Bute.

April 2001

Midlothian.

April 2002

Inverness

Nairn.

April 2003

Banff

Caithness

Moray

Orkney and Shetland

Ross and Cromarty

Sutherland.

Ferry Services

Mr. Wallace: To ask the Secretary of State for Scotland if he has made a decision for the award of subsidy for the operation of passenger ferry services to Orkney and Shetland; and if he will make a statement. [10873]

Mr. Dewar: I intend to lay before the House as soon as practicable a draft undertaking to secure the continuation of these ferry services. The draft undertaking will propose the payment of a block grant subsidy for the operation of the northern isles passenger ferry services to P and O Scottish Ferries. The duration of this agreement will be from 1997 to 2002. The Government have taken this decision following an evaluation of the bids received in response to an open competitive tendering exercise. I propose to commence a new open tendering exercise next year for the award of a longer–term subsidy agreement commencing in 2002. The Government expect that, by 2002, new vessels will be needed for these services and an early decision will allow sufficient time for the successful operator to build new ships. Prior to initiating a new competition, the Scottish office will, as part of the Government-wide comprehensive spending review, be re-evaluating northern isles services. The future service specification will be based on this review.

The Government have examined the option of allowing a bid from Caledonian MacBrayne for the immediate block contract. It is clear that CalMac does not have vessels in its fleet capable of taking over the northern isles services in the short-term, nor does the current second hand vessel market currently offer suitable tonnage. However, the Government have decided to invite CalMac to consider whether it can identify a basis for entering the open tendering exercise for the new subsidy agreement commencing in 2002 which would be consistent with the overall level of public expenditure affordable for shipping services.

The previous Government initiated the open competitive tendering exercise in June 1995. Three bids were received and, after thorough consideration, the Government now conclude that P and O Scottish Ferries offers the best value for money.

The Government's agreement with P and O Scottish Ferries will safeguard the existing pattern of services for the next five years and includes guarantees for the export of livestock and the carriage of hazardous goods. Under the agreement, P and O Scottish Ferries will be paid a basic annual block grant of £11.018 million subject to clawback arrangements should profits exceed current forecasts.

The profitability of northern isles passenger ferry services has been declining over a number of years due to fierce competition from freight-only operators. This competition has resulted in a sharp fall in tariffs which, whilst good news for businesses and consumers in the northern isles, reduces the income from passenger ferry services which carry a substantial amount of freight.

Passenger ferry operators are also required to adhere to much stricter safety regulations than freight operators. The latest regulations, the Stockholm agreement—introduced following the Estonia tragedy—will require either expensive modifications or the withdrawal of non-compliant vessels by 2002. By that date, P and O Scottish Ferries' three passenger ships will be some 30 years old. Costly upgrades to ships this old are not judged worthwhile. Instead, the Government have agreed to cover the increased depreciation charges required to write down the vessels to a realistic market value by 2002. If any modifications to P and O Scottish Ferries' three passenger ferries are required to meet safety of life at sea—SOLAS—95 regulations in the period before 2002, the Government will fund these by capital grant.

Declining freight profits and the additional cost of depreciation require an addition to subsidy costs compared with previous years, even although P and O Scottish Ferries' bid was lower than any other. The alternative would be to impose significantly increased fares on islanders or visitors, which the Government have rejected. This subsidy agreement represents a substantial financial commitment by the Government to safeguarding the passenger ferry services to Orkney and Shetland and to keeping fares down.

PRIME MINSTER

Digital Communications Systems

Mr. Gale: To ask the Prime Minister what plans he has to transfer powers between the Department of Trade and Industry and/or the Home Office and/or the Department of Culture, Media and Sport, in respect of the convergence of digital communication systems. [10339]

The Prime Minister: None.

DUCHY OF LANCASTER

Accounts

Mr. Bennett: To ask the Chancellor of the Duchy of Lancaster when the accounts for the Duchy of Lancaster will be laid in the Library. [11003]

Dr. David Clark: I am pleased to inform my hon. Friend that the accounts of the Duchy of Lancaster for the year ended 31 March 1997 have been laid in the Libraries of the House today.

Quangos

Mr. Peter Bradley: To ask the Chancellor of the Duchy of Lancaster what plans he has to extend the democratic accountability of quangos in England. [11002]

Dr. David Clark: As part of its programme to clean up politics, the Government are determined that all unelected public bodies should be fully answerable for what they do. They should conduct their business so that they are both efficient, effective and economical in providing their expert advice and services to the public and to Government, and accessible, responsive and transparent to the public whom they ultimately serve. The White Papers on Scotland and Wales show that this democratic approach is central to the Government's plans for devolution. Our purpose is the same for public bodies which operate on a United Kingdom or Great Britain basis, those covering England alone and those serving England and Wales.

I propose in the autumn to issue a discussion paper considering how democratic oversight of those bodies might best be enhanced, not least through the full implementation of the recommendations of the Nolan committee. In the light of consultation, I shall bring forward proposals in the forthcoming White Paper on better Government.

Members' Interests

Mr. Campbell-Savours: To ask the Chancellor of the Duchy of Lancaster if he will ensure that *(a)* Ministers and *(b)* officials in his Department refuse requests from hon. members to (i) arrange and (ii) attend meetings relating to interests held by those Members under categories 1, 2, 3, 4(b), 8 and 9 in the Register of Members' Interests. [8066]

Dr. David Clark *[pursuant to his reply 17 July 1997, 332]:* The first report from the Committee on Standards in Public Life (Cm 2850) recognised the value of enabling Members to retain interests outside the House, provided these were properly declared, both in the Register of Members' Interests and on other occasions. Subject to these requirements, and to the rules of the House relating to delegations to Ministers, Members are free to seek meetings with Ministers and officials, who will consider such requests alongside the many other approaches from individuals and organisations concerned to press their own interests or those of others.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Employment Advertisements

Ms Perham: To ask the Secretary of State for the Environment, Transport and the Regions how often since 1992 his Department or its predecessor departments have been responsible for employment advertisements which contained age restrictions upon those who could apply. [9511]

Angela Eagle: The recruitment and employment of staff is the responsibility of each individual body—quango—which seek to attract applicants from diverse backgrounds. The Department, for its part, is keen, wherever possible, to encourage equality of opportunity within non-departmental public bodies. The information requested is not held by my Department.

Air Quality (Brent Cross)

Mr. Dismore: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the impact on air quality standards of increased traffic flows arising from the proposed extension of Brent Cross shopping centre; and if he will make a statement. [9186]

Angela Eagle: Estimating the impacts of individual new developments on air quality is primarily a local matter, in which the Secretary of State is not involved.

The effects of air pollution are, in appropriate cases, capable of being taken into account by a planning authority as a material consideration in relation to a planning application. The weight to be given to such considerations is for the judgment of the decision maker.

I understand that in this case an environmental appraisal, covering air quality, was carried out by those applying for planning permission. I also understand that the local authority is currently considering the conclusions of that appraisal and monitoring air quality in the area.

Council House Sales

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions (1) what are the total capital receipts for each local authority in Hampshire arising from the sale of council houses since 1979; [9316]

(2) how much of the capital receipts from council houses sales since 1979 has been used to avert borrowing; and how much remains in local authority accounts for each local authority in Hampshire, [9401]

Mr. Raynsford: Figures for *(a)* total capital receipts arising from the sale of council houses and flats between 1980–81 and 1996–97 and *(b)* housing capital receipts set aside between 1990–91 and 1995–96 are set out for each local authority in Hampshire in the table.

The first column includes all receipts from the sales of council dwellings, including—since 1990–91—those which could be used to finance capital expenditure as well as those which had to be set aside. The distinction between usable and set-aside receipts is not relevant before 1990–91.

Information is not available on the amount of set-aside housing receipts that authorities have used to avert borrowing, nor on the amount remaining in local authority accounts.

£000

	Receipts from sale of council dwellings, 1980–81 to 1996–97	Receipts set aside from sales of housing revenue account assets 1990–91 to 1995–96
Basingstoke and Deane	(8) 197,539	82,221
East Hampshire	94,801	41,142
Eastleigh	(1) 81,755	37,480
Fareham	(2) 29,442	3,077
Gosport	38,425	6,573
Hart	43,051	18,080
Havant	72,892	26,819
New Forest	(1) 59,209	8,032
Portsmouth	129,642	13,618
Rushmoor	116,116	53,140
Southampton	(2) 87,729	14,313
Test vally	75,667	11,762
Winchester	(1) 51,872	7,949

Source:

Quarterly housing return (PIB), Housing revenue account subsidy claim form.

Note:

No figures are available for receipts from the sale of council houses prior to 1 April 1980. Figures in brackets indicate incomplete data, showing the number of quarters missing during the period. Figures for set-aside receipts in 1996–97 are not yet available.

We are in the process of consulting the Local Government Association and local authorities on the Govnerment's capital receipts initiative. The final decision about the basis on which resources are to be distributed to individual authorities will be made when that consultation process is complete.

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions how much of the capital receipts from council house sales since 1979 has been used to avert borrowing; and how much remains in local authority bank accounts in each local authority in the United Kingdom. [9771]

Mr. Raynsford: A table showing *(a)* the total capital receipts arising from the sale of council houses and flats between 1979–80 and 1995–96, and *(b)* housing capital receipts set-aside between 1990–91 and 1995–96 for each English local authority has been placed in the Library of the House. The totals for authorities in England are respectively *(a)* £24.6 billion, and *(b)* £5.3 billion.

The first figure includes all receipts from the sales of council dwellings, including—since 1990–91—those which could be used to finance capital expenditure as well as those which had to be set aside. The distinction between usable and set-aside receipts is not relevant before 1990–91.

No figures are available for receipts from the sale of council houses prior to 1 April 1980. Figures for set-aside receipts in 1996–97 are not yet available.

Information is not available on the amount of set-aside housing receipts that authorities have used to avert borrowing, nor on the amount remaining in local authority accounts.

We are in the process of consulting the Local Government Association and local authorities on the Government's capital receipts initiative. The final decision about the basis on which resources are to be distributed to individual authorities will be made when that consultation process is complete.

Information relating to local authorities in Scotland, Wales and Northern Ireland is respectively the responsibility of my right hon. Friends the Secretaries of State for Scotland, for Wales and for Northern Ireland.

Foyer Schemes

Mr. Pike: To ask the Secretary of State for the Environment, Transport and the Regions what proposals his Department has for the development of foyer schemes; and if he will make a statement. [9177]

Mr. Raynsford: Foyer schemes are one of a range of solutions to help homeless and unemployed young people. There are already a large number of such schemes in operation with more in development or being planned. Large sums of public money have already been invested in foyer schemes through, for example, capital and revenue grants payable by the Housing Corporation. Further schemes may qualify for support and for additional resources released under the capital receipts initiative. It will be for prospective foyer developers and individual local authorities to identify local needs and priorities when considering the case for a foyer scheme.

In addition, my Department and the Department for Education and Employment have jointly commissioned research from the Institute for Employment Studies and London Research Centre to look at the number and distribution of foyer and foyer type schemes and their effectiveness in meeting the accommodation and training needs of young people.

La Hague Nuclear Processing Plant

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions (1) what reports he has received from his French counterpart concerning the basis of the ban on fishing and swimming near the La Hague nuclear reprocessing plant; and what guidance on environmental protection has been sought from his Department by the Channel Islands state's authorities as a result of this announcement; [9944]

(2) pursuant to the answer of 27 June, *Official Report*, columns *668–69*, if he will request the French Government to provide the details of the radiological monitoring study covering the environment of La Hague. [9931]

Angela Eagle: A copy of the monitoring study commissioned by the French Government from the Office de Protection des Rayonnements Ionisants in the vicinity of the La Hague reprocessing plant is being obtained and will be placed in the Library of the House. A small section of beach, approximately 100m long, surrounding a plant discharge pipe, was closed as a precautionary measure while this monitoring was being undertaken and evaluated. My Department has received no request for guidance from the Channel Islands states' authorities concerning these developments.

Compulsory Competitive Tendering

Mr. Hoyle: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those councils which have approached his Department since 1 May in relation to the compulsory competitive tendering of local services, indicating those which Ministers have agreed to meet. [9853]

Mr. Raynsford: There have been a very large number of local authority contacts with Ministers and officials in my Department on a range of compulsory competitive tendering issues. These include possible changes to the existing statutory framework for CCT, the development of a best value framework and pilot projects, advice on the technical requirements of existing CCT regulations, requests for exemptions from CCT requirements and casework concerned with anti-competitive behaviour and financial failure.

Ministers in this Department have had no meetings with particular authorities on CCT issues. We have, however, met the Local Government Association on several occasions at which CCT was discussed. My officials have also held meetings with the Local Government Association and have visited a number of local authorities in connection with best value pilot work.

Mr. Healey: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 2 June, *Official Report*, columns *49–50*, on compulsory competitive tendering, what further progress has been made in replacing CCT with a duty of best value; and if he will make a statement. [10603]

Ms Armstrong: Local authorities responded enthusiastically to our 2 June announcement, which confirmed our intention to replace compulsory competitive tendering with a duty to obtain best value, a duty which will require local authorities to deliver the quality of service that local people expect at a price they are willing to pay.

Many authorities have begun work in line with the best value principles published at that time. I now want to build on this work, setting out the proposed framework for best value in England and encouraging local authorities to work towards it consistent with the current legislation. We are therefore writing to all English local authorities inviting them to come forward with proposals to run pilot best value projects and the Home Office will be writing on a similar basis to police authorities. The letter will include the criteria which will be used to evaluate proposals, including the procedures and timetable, and will set the pilot scheme in the context of the framework of best value that we are developing. A copy will be placed in the Library of the House tomorrow morning. In considering bids, we shall be looking to test a wide range of different approaches and services within the best value framework, and to encompass different types of authorities.

Bids will be invited by 1 October, with decisions announced in December, so that local authorities have the maximum amount of time to develop their ideas ahead of a latest start date of 1 April 1998. In coming to a decision on the pilot projects, I expect to draw on advice from a panel made up of representatives from central Government Departments, the Local Government Association, the Audit Commission, the trade unions and the private sector. I shall be writing to each shortly to invite nominations.

We are also to consult local authorities and other interested parties on proposals to modify the current CCT regulations and guidance. This follows a short review carried out by a working group comprised of representatives from my Department, the Welsh Office and the Local Government Association.

Our proposals are designed to enable authorities to adopt best value practices consistent with the current primary legislation. They provide a real incentive for authorities to take the voluntary route to competitive tendering, and significantly reduce many of the prescriptive elements of CCT that have so frustrated authorities and the private sector alike. Full details of our proposals are contained in a consultation paper which I am placing in the Library tomorrow morning. At the same time we shall be consulting on revised guidance on good tendering practice which will promote fairness and transparency in procurement decisions, and a draft will also be available in the Library tomorrow.

Taken together, these changes will build on the renewed interest of both local authorities and the private sector in the provision of quality cost-effective local services. They will release both public and private sectors from the sterile exchanges that have bedevilled CCT in recent years, and encourage innovation and best value to the benefit of those who use and pay for local services.

Genetically Modified Organisms

Mr. Flynn: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many monitoring experiments concerning the release of genetically modified organisms and bacteria the Health and Safety Executive has carried out on discharges from laboratories licensed to undertake activity under the Genetically Modified Organisms (Contained Use) Regulations 1992; and if he will list the dates and places of such monitoring; [10213]

(2) how the need for monitoring concerning the release and survival of genetically modified bacteria has been taken into account in the proposal for certificates of exemption for discharges of certain live GMOs in liquid wastes under the Genetically Modified Organisms (Contained Use) Regulations 1992. [10214]

Angela Eagle: The Genetically Modified Organisms (Contained Use) Regulations 1992 require that effluent from higher risk GMOs be inactivated prior to discharge. Users have to monitor the effectiveness of this inactivation. So far as low risk GMOs are concerned, the regulations require that suitable control measures are used to limit their contact with the general population and the environment. The effectiveness of these control measures has to be tested and monitored by those undertaking the activities.

The Health and Safety Executive has not carried out any monitoring experiments. However, HSE specialist inspectors evaluate and discuss monitoring data with users during inspections.

The proposed exemption certificate would allow direct discharge of those untreated liquid wastes containing GMOs which, on the basis of a thorough risk assessment, were judged not to pose a risk of harm to human health and/or the environment. A key factor in this assessment would be that the GMOs were capable of only limited survival in the environment. The conditions attached to the proposed exemption certificate would require compliance with all other provisions of the contained use regulations, including monitoring.

The Advisory Committee on Genetic Modification will shortly be evaluating the outcome of a recent consultation exercise on the proposed exemption certificate. The HSE will then consider its advice before agreeing with relevant Departments—so far as matters relate to the environment—whether the certificate should be issued.

Allotments

Mr. Hawkins: To ask the Secretary of State for the Environment, Transport and the Regions what criteria he will use in the exercise of his powers under the Allotments Act 1925 in respect of the disposal of allotment land or its use for other purposes. [10291]

Angela Eagle: The Secretary of State's consent, under section 8 of the Allotment Act 1925, for the disposal of statutory allotment land will not be given unless he is satisfied that adequate alternative provision is made for any displaced allotment holders, or that such provision is not necessary.

Mr. Hawkins: To ask the Secretary of State for the Environment, Transport and the Regions if he will list his *(a)* consents and *(b)* refusals of consent since 2 May under the Allotments Act 1925 for the disposal of allotment land or its use for other purposes. [10317]

Angela Eagle: The Secretary of State has given his consent, under section 8 of the Allotment Act 1925, for disposal of the following statutory allotment sites since 2 May 1997:

7 May: Peel Street, Carlisle

9 May: Wolverhampton Metropolitan Borough Council Training Centre, Wolverhampton

19 May: Firtree Lane, Bristol

19 May: Troopers Hill Bristol

19 May: 32 Nicholas Lane, Bristol

23 May: Burton Road, Overseal, Derbyshire

28 May: Washbrook Allotments, Leicester

3 June: Roundwood Glen, Greengates, Bradford

9 June: Langham Allotments, Rutland

11 June: Bridge Street, Loddon, South Norfolk

24 June: Lee Lane, Langley, Amber Valley, Derbyshire

24 June: Ridgeway Allotments and Manor Hall Allotments, Southwick, West Sussex

25 June: Broadwater Gardens Allotments, Harefield, Middlesex

25 June: The Bartons, Much Marcle, Ledbury, Herefordshire

26 June: Harewood Allotments, Cornfield Road, Thornaby

26 June: Harewood Allotments, Thornaby Road, Thornaby

26 June: Colston Avenue, Carshalton, Surrey

10 July: Cannock Road, Cannock

11 July: Barnsfield Place Allotment, Uxbridge, Middlesex

14 July: Primrose Hill, Stockton-on-Tees

15 July: Dodmire Allotments, Darlington

17 July: Britten Road, Reddith

22 July: Scotchman Road, Bradford.

There have been no refusals of consent under section 8 of the 1925 Act since 2 May.

Mr. Hawkins: To ask the Secretary of State for the Environment, Transport and the Regions if he will establish a review, involving hon. Members, of the future of allotments. [10318]

Angela Eagle: There are no current plans to undertake a review of allotments.

Mr. Hawkins: To ask the Secretary of State for the Environment, Transport and the Regions what guidance the Government *(a)* have given and *(b)* plan to give local authorities concerning the release of more land for allotments. [10319]

Angela Eagle: Local authorities are required, where they are satisfied that there is sufficient demand, to provide an appropriate number of allotment sites to residents within their areas. There are no plans to provide any more specific guidance to local authorities.

Mr. Hawkins: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to encourage local authorities and large landowners to release more land for allotments. [10320]

Angela Eagle: The provision of allotment sites is a matter for local authorities, taking into account the demand for sites within their area.

Mr. Hawkins: To ask the Secretary of State for the Environment, Transport and the Regions if he will take steps to limit the periods during which allotment plots can be left vacant. [10343]

Angela Eagle: Management of allotment sites is a matter for the relevant local authority or parish council, taking into account the demand within the area.

Home Energy Efficiency Scheme

Mr. Öpik: To ask the Secretary of State for the Environment, Transport and the Regions (1) what was the total amount of money made available to Wales for the home energy efficiency scheme in each of the last two years; how much will be available in the next year; and if he will make a statement. [10243]

(2) what was the average home insulation grant provided to eligible households in Wales in each of the last two years; and if he will make a statement. [10244]

Angela Eagle: In 1995–96 a total of £5.2 million was spent under the home energy efficiency scheme in Wales on grants with an average individual value of £167. The figures for 1996–97 were £3.4 million and £184. This year, I estimate that £3.8 million will be invested through this scheme in improving the energy efficiency of Welsh

homes occupied by the most vulnerable families. The 1998–99 allocation for the scheme, which I intend to review to make sure that it meets the needs of its customers, will be decided after completion of the Government's comprehensive expenditure review.

"Planning and Affordable Housing"

Mr. Ennis: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to revise circular 13/96: "Planning and Affordable Housing". [10866]

Mr. Caborn: Planning Policy Guidance Note 3 "Housing" (PPG3) states that local planning authorities may seek to negotiate an element of affordable housing in respect of new housing developments on a substantial scale. The intention behind this policy was that a site should be large enough to accommodate a range and mix of types of housing. The site thresholds were introduced in circular 13/96 as a way of defining what the Department considered to be a substantial site for the purposes of the policy.

Since the circular was issued, the Department has been hearing from many local authorities and registered social landlords who argue that the threshold has had the effect of restricting the amount of affordable housing they are able to secure via the policy. I have given careful consideration to the views that have been expressed and, although I accept the principle of the use of thresholds, I have come to the conclusion that there is a case for looking again at the levels at which they were set.

I can announce today that my Department has issued for consultation proposed revisions to circular 13/96. In particular, we are proposing to lower the thresholds below which local authorities should not seek an element of affordable housing, and to clarify the way in which financial or other contributions should be secured through planning obligations where the parties consider that such contributions towards the provision of affordable housing on a different site are preferable.

Bus Lanes (Motorcycles)

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what his policy is on allowing motorcycles to use bus lanes in inner-city areas; and what consultations he has held with local authorities on pilot projects. [9303]

Ms Glenda Jackson: Nothing in law prevents local traffic authorities from permitting motorcycles to use bus lanes, although the necessary traffic signs require departmental approval. The Government are interested in experimental projects such as those which have been implemented in Bristol and Reading but are aware that they have generated concerns from cyclists on safety grounds. We will study the evidence from such schemes carefully to assess advantages and disadvantages for motor cyclists and other vulnerable road users, as well as their implications for balanced transport planning.

I would expect a local authority wishing to undertake a trial scheme to discuss its proposals with the Department at an early stage, and I would look to the authority to make adequate arrangements for before and after monitoring of the effects.

Seat Belts

Mr. Edwards: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the safety of seat belts designed for car application being fitted to coaches; and what estimate he has made of the prevalence of such practices in the United Kingdom. [10238]

Ms Glenda Jackson: Provided that seat belts are approved to recognised standards and installed correctly, those approved for use on cars may be safely used on other types of vehicle. No information is available on how many coach owners or operators have chosen to fit car seat belts in their vehicles.

Mr. Edwards: To ask the Secretary of State for the Environment, Transport and the Regions what assessments he has made of the safety aspects of loop-around seat belts not requiring fixed anchorage to seating. [10237]

Ms Glenda Jackson: Loop type seat belts can offer the same level of protection as a seat belt bolted to a fixed anchorage if they are approved to a recognised standard and properly fitted. Such belts should be secured to a part of a seat or the vehicle structure which is strong enough to take a high accident loading, has no sharp edges and positions the belt so that it can be worn properly.

Roads Programme

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the major maintenance scheme to be undertaken on the trunk road and motorway network during the financial year 1997–98, indicating the likely cost, start and completion dates for each scheme. [10130]

Glenda Jackson: I have asked the chief executive of the Highways Agency to write to my hon. Friend.

Letter from Lawrie Haynes to Mrs Gwyneth Dunwoody, dated 24 July 1997:

The Secretary of State for the Environment, Transport and the Regions, has asked me to reply to your request to list those major maintenance schemes, to be undertaken on the trunk road and motorway network during the financial year 1997–98, and to give an indication of the likely cost, start and completion dates for each scheme.

I enclose with this letter a list of those major maintenance projects, that is those costing over £1m, which the Highways Agency intends to undertake this financial year.

Trunk roads capital roads maintenance Highways Agency's intended programme for 1997–8

Road	*Repair section*	*Area*	*Estimated cost (£ million)*	*Start*	*End*
M1	Junction 25 to Junction 26	Derbyshire	3.500	October 1997	November 1997
M5	Junction 14 to Junction 15	Gloucestershire	2.000	October 1997	December 1997
M5/M6	Ray Hall Interchange	Walsall	3.500	August 1997	November 1997
M6	Junction 14 to Junction 15	Staffordshire	0.650	July 1997	August 1997
M23	Junction 8 to Junction 9	Surrey	4.700	January 1998	April 1998
M25	Junction 23 to Junction 24	Hertfordshire	1.600	February 1998	June 1998
M27	Junction 8 to Junction 10	Hampshire	7.630	January 1997	June 1997
M42	Junction 3 to Junction 3A	Warwickshire	0.670	June 1997	August 1997
M42	Junction 7A to Junction 8	Warwickshire	2.200	September 1997	October 1997
M53	Junction 9 to Junction 10	Cheshire	2.160	August 1997	December 1997
M54	Junction 5 to Junction 6	Shropshire	2.700	July 1997	October 1997
M62	Junction 11 to Junction 12	Manchester	1.232	September 1997	November 1997
A249	WestMinster to Sheerness	Kent	1.000	September 1997	December 1997
In addition the DBFO Company responsible for M40 (Junctions 1–15) has undertaken the following					
M40	Junction 6 to Junction 8	Oxfordshire	n/a	April 1997	July 1997

Derailment (Sidcup)

Mr. Beard: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure adequate standards of railway inspection, maintenance and investment to take account of the findings of Railtrack's inquiry into the derailment at Sidcup station in February. [10233]

Ms Glenda Jackson: Railtrack plc is responsible for inspecting and maintaining its railway infrastructure. It has prepared and had accepted by the Health and Safety Executive a railway safety case, in accordance with the Railways (Safety Case) Regulations 1994. As part of its commitment to its RSC, Railtrack plc has undertaken to comply with Railway Industry Group standards which include standards for inspection and maintenance. HSE'S railway inspectorate monitors Railtrack plc's compliance with Its accepted RSC and enforces health and safety legislation.

The HSE is aware of Railtrack plc's internal inquiry into the derailment near Bexley station in February. HSE'S own independent technical investigation into the cause of the incident is continuing and its findings will be made public by the HSE in due course.

Dartford River Crossing

Mr. Campbell-Savours: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 19 June, *Official Report*, columns *276–77*, if he will publish the sensitivity analyses which were made for each of the alternatives for the third Dartford crossing with regard to variations in the base assumptions for the capital cost of the facility and the whether public sector cost of capital; the overrun in capital costs in *(a)* actual and *(b)* percentage terms for each of the alternative options would have eliminated the difference between the privately and publicly financed options for each alternative; and what increase in the public sector cost of capital would have eliminated the difference between the privately and publicly financed options for each alternative. [9764]

Glenda Jackson: In 1986 the assessment of the Dartford bids was essentially concerned with establishing the extent to which they offered value for money on specified assumptions. The economic costs of the various options were established so as to compare the net benefits of publicly financed and privately financed schemes. So far as can be established sensitivity tests of the kind postulated in the question were not carried out.

FOREIGN AND COMMONWEALTH AFFAIRS

Communicable Diseases

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs what were the conclusions of the Denver summit in respect of the control of communicable diseases; and if he will make a statement. [9641]

Mr. Tony Lloyd: The Denver summit agreed to promote more effective co-ordination of international responses to outbreaks of infectious diseases and to develop a global surveillance network working through organisations such as the World Health Organisation. There was also a commitment to accelerate AIDS vaccine research, to enhance international scientific co-operation and collaboration, and to ensure that the United Nations programme on HIV/AIDS (UNAIDS) fulfils its mandate.

We welcome the commitment to improve international collaboration on the surveillance, monitoring, and research of communicable diseases. The UK has a strong record in combating communicable diseases, both internationally and at home, and this work will continue in the future.

EU Legations

Sir Richard Body: To ask the Secretary of State for Foreign and Commonwealth Affairs what were the total costs of European Union legations in *(a)* European Union countries, on a country by country basis, and *(b)* non-European Union countries for 1996. [10014]

Mr. Doug Henderson *[holding answer 22 July 1997]:* There are no EU delegations. The Commission has representations in EU member states and delegations in third countries.

There is no figure readily available showing the running costs of Commission representations separately from those of the Commission's main offices. But as an indication, running costs for the four Commission representation offices in the UK in 1996 were around £1.3 million.

The budget for the running costs of Commission delegations in 1996 was £152 million.

Defence Sales

Mr. Key: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps are being taken to increase the transparency and accountability of decisions on defence export licences. [10364]

Mr. Tony Lloyd: We are committed to increase transparency and introduce more stringent controls over defence exports, including publishing an annual report on UK strategic exports. We will also press for a European register of arms exports to make information on arms exports available at a European level, and work to strengthen the UN Register of Conventional Arms.

We are considering how best to take forward these commitments.

Committee of the Regions

Mr. Livsey: To ask the Secretary of State for Foreign and Commonwealth Affairs how many times the European Committee of the Regions has met in the last two years; if he will list the attendance record of each of the United Kingdom's representatives on the committee; and if he will make a statement. [9833]

Mr. Doug Henderson: There are usually five plenary sessions of the European Union Committee of the Regions each year.

The United Kingdom has 24 full and 24 alternate members of the CoR. When a full member is unable to attend, an alternate member may do so. The UK is rarely represented by less than 24 full or alternate members.

We do not hold up-to-date attendance records for UK members. However, figures provided by the Local Government International Bureau show that for the 10 plenary sessions held up to September 1996 UK members attended as follows:

Full members

	Attendance
Dame Elizabeth Anson	9
David Bellotti	9
Albert Bore	10
Lord Bowness	9
Simon Day	8
Lady Josie Farrington	8
Robert Eccles	[1]
George Gill	10
Toby Harris	6(5)
Christopher Penn	10
Dennis Pettitt	8
Janet Sillett	7
Lord Tope	9
Colin Warbrick	10
Daniel Coffey	7
Charles Gray	9
Rosemary McKenna	9
Duncan McPherson	8
Brian Meek	8(7)
John Evans	9
Lord Kenyon	10
Eurig Wyn	8
Reg Empey	10(9)
Denis Haughey	9(8)

In some cases attendance records are incomplete. In these cases the confirmed figure is shown in brackets.
[1] Robert Eccles took up membership during 1996.

Alternate members

	Attendance
John Battye	0
Kenneth Bodfish	7
Peter Cocks	1
Doreen Fleming	1
Elgar Jenkins	0
Fraser Mitchell	0
John Morgan	0
Sally Powell	5
Tony Prior	0
Hedley Salt	0
Peter Soulsby	4
Ian Swithenbank	0
Paul White	3
Milner Whiteman	4
Keith Geddes	2
Marcus Humphrey	2
Jean McFadden	1
Peter Peacock	1
Clive Sneddon	1
Jill Evans	3
Keith Griffiths	1
Bill Hughes	1
Simpson Gibson	0
Sean Neeson	1

Figures are based on information provided by the Local Government International Bureau.

Racism and Xenophobia (Monitoring)

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs when he intends to announce a United Kingdom nomination for the board of the European Monitoring Centre on Racism and Xenophobia; and when he estimates the Centre will commence its work. [9923]

Mr. Doug Henderson: We are considering possible candidates and hope to make an announcement as soon as possible. We hope the centre will start work early in 1998.

Human Rights

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will set out a three-year timetable for fulfilling United Kingdom reporting obligations under United Nations treaties for the protection of human rights, indicating target completion dates for periodic reports and expected dates for public hearings of the relevant committees. [9924]

Mr. Tony Lloyd: The timetable for reporting is determined by the treaty itself or by the respective treaty monitoring committee. The UK's next reports are due on the following dates: International Covenant on Civil and Political Rights—ICCPR—June 1999; International

Covenant on Economic, Social and Cultural Rights—ICESCR—June 1999; International Convention on the Elimination of all Forms of Racial Discrimination—ICERD—April 1998; Convention Against Torture—CAT—January 1998; Convention on the Elimination of Discrimination Against Women—CEDAW——January 1999; Convention on the Rights of the Child— January 1999. We aim to submit these reports as closely as possible to the due dates except in the case of ICERD where it is proposed to hold submission back until April 1999 so that the report can take account of possible developments in this field that are currently under consideration: the secretariat of the committee is being informed.

The relevant monitoring committees have not yet given dates for public examinations of these reports, except for the CEDAW committee which has set January 1999 as the date for the examination of the previous and next reports. The ICESCR committee will examine the UK in November 1997, in respect of its latest report submitted in 1996.

The UK also submits reports in respect of those dependent territories to which particular treaties apply. The due dates are not the same in all cases, but we aim to submit reports under ICERD and CAT together with those of the UK itself. The initial dependent territories' reports under CRC and the latest dependent territories' reports under ICCPR, ICESCR and CEDAW are now overdue but steps are being taken to ensure that these are completed and submitted as soon as possible.

Non-governmental Organisations

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs what list he maintains of international and national non-governmental organisation for the purposes of consultation; and which NGOs are included. [9925]

Mr. Tony Lloyd: This Department does not keep a comprehensive list of non-governmental organisations for such a purpose. Each policy department within this Department is, however, aware of and maintains contacts with the non-governmental organisations in its area.

European Parliament

Mr. McNamara: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will describe the oath of allegiance or equivalent declaration taken by UK members of the European Parliament. [10158]

Mr. Doug Henderson: Members of the European Parliament are not required to take an oath of allegiance. Their conduct is in certain respects bound by the European Community 1976 Act concerning the election of the representatives of the European Parliament. On taking up office they are required to sign a declaration that they do not hold an office incompatible with being a Member of the European Parliament, as et out in article 6 of the 1976 Act. They are also required to make a declaration of their financial interests.

Hawk Aircraft (East Timor)

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the evidence he has received on the use of Hawk aircraft in East Timor since 1983. [10340]

Mr. Fatchett: We are currently studying all the information available to us in relation to allegations about the use of Hawk in East Timor. No firm conclusions have yet been drawn. Nor have we yet considered whether we could publish the information itself.

Maritime Limits

Mr. Streeter: To ask the Secretary of State for Foreign and Commonwealth Affairs what will be the basis for continued United Kingdom jurisdiction over the six and 12 mile maritime limit after 2002. [9640]

Mr. Morley: I have been asked to reply.

The current restrictions on foreign fishing vessels within our six and 12-mile fisheries limits will continue to apply under Council Regulation 3760/92 until 31 December 2002. The Government are committed to securing their renewal after 2002 under a further regulation. The Prime Minister has received assurances from the President of the Commission that there is unlikely to be any desire to modify present restrictions after 2002.

AGRICULTURE, FISHERIES AND FOOD

Offal

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what representations he has received regarding the cost of removal of offal from abattoirs and knackers' yards; and if he will make a statement. [9597]

Dr. Jack Cunningham: I have received representations from across the meat supply/disposal chain, from representatives of producers to those of renderers, about the costs of disposal of animal by-products. These generally supported the continuation of Government financial support to the rendering industry.

I and my agricultural ministerial colleagues have considered the representations put to us very carefully. Having taken into account the impact on the meat industry of withdrawing support, the original purpose of the support and the considerable additional cost of extending it, for which we have no provision in our public expenditure plans, we have concluded that the support should be phased out, as already provided for, by the end of 1997–98 within the existing spending limit of £59 million.

I am today writing to the president of the NFU and to other industry organisations informing them of our conclusions.

Live Animal Exports

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food if he will make representations to other EU countries to end the payment of export refunds on the export of live cattle from the EU to the middle east and north Africa; and if he will make a statement. [10296]

Mr. Rooker: The Government have no plans to seek an end to the payment of export refunds on live cattle. However, we welcome the fact that the ratio between refunds for live bovines and those for carcase meat has been moving towards favouring meat exports.

In the longer term, GATT Uruguay round commitments setting progressively decreasing limits on the volume and value of export subsidies are likely to bring further pressure to bear on refund levels. We also wholeheartedly support the current Commission proposal to link the payment of export refunds to the observance of animal welfare conditions.

Sheep and Goats Order

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food if he will list the penalties applicable for contravening the Sheep and Goats (Recording Identification and Movement) Order 1996, indicating the number of farmers who have been prosecuted for failing to adhere to the order. [10348]

Mr. Rooker: The penalty for contravening the Sheep and Goats (Records, Identification and Movement) Order 1996, is a fine not exceeding £5,000, or, if the offence is committed with respect to more than 10 animals, a fine not exceeding £1,000 for each animal.

No prosecutions have been made under the order.

Spongiform Encephalopathy Advisory Committee

Ms Julie Morgan: To ask the Minister of Agriculture, Fisheries and Food if he will list the commercial and non-commercial interests of the members of the Spongiform Encephalopathy Advisory Committee. [10809]

Mr. Rooker: Members of the Spongiform Encephalopathy Advisory Committee are not required to declare their commercial and non-commercial interests as this is a scientific advisory committee with no trading or financial objectives. However, in the interests of open government, the members of SEAC have been asked for this information and the interests declared are listed in the following table.

Spongiform Encephalopathy Advisory Committee

	Commercial interests		*Non-commercial interests*	
Member	*Name of organisation*	*Nature of interests*	*Name of organisation*	*Nature of interests*
Professor J. R. Pattison (Chairman)	None	None	Medical Research Council	Senior Medical Adviser to the Chief Executive
Dr. R. G. Will (Deputy Chairman)	None	None	Department of Health	Grant Holder
			Scottish Home and Health Department	Grant Holder
			Medical Research Council	Grant Holder
			European Commission BIOMED	Programme Grant Holder
			Office International des Epizooties Expert Group on Bovine Spongiform Encephalopathy in Related Diseases (1990–present)	Adviser
			World Health Organisation	Adviser
			European Union	Member of the Multi-disciplinary Scientific Committee
Professor J. W. Almond	Aplin and Barrat Ltd.	One-off Consultancy	Society for General Microbiology (company limited by guarantee and registered charity).	Director
	Stanger Science	One-off Consultancy		
	Food and Drink Federation	One-off Consultancy		
			Biotechnology and Biological Sciences Research Council	Chairman of the Working Group of the Biology of the Spongiform Encephalopathic Programme
			MAFF	Member of scientific review panels
Mr. R. Bradley	Beacon Research	Adviser	Ministry of Agriculture, Fisheries and Food	Adviser
	Taylor By-Products	Adviser	Veterinary Laboratories Agency	Adviser
	Nordima International Trading	Adviser	World Health Organisation	Adviser
	European Natural Sausage Casings Association	Adviser	Office International des Epizooties	Adviser
	Meat and Livestock Commission	Adviser	European Agency for the Evaluation of Medicinal Products	Adviser
	National Dairy Council	Adviser	Committee on Proprietary Medicinal Products	Adviser
	Jackson & Walker (Attorneys, Counsellors)	Adviser	Medicines Control Agency	Adviser
	Kraft Jacobs Suchard	Adviser	Public Health Laboratory Service	Adviser
	National Renderers Association Inc.	Adviser	Infarmed (Portugal)	Adviser
	Fats and Proteins Research Foundation Inc.	Adviser	Food and Agriculture Organisation (UN)	Adviser
	Meat Industry Forum of South Africa	Adviser	Advisory Committee on Dangerous Pathogens	Adviser
			National Institute for Biological Standards	Adviser

Spongiform Encephalopathy Advisory Committee

	Commercial interests		*Non-commercial interests*	
Member	*Name of organisation*	*Nature of interests*	*Name of organisation*	*Nature of interests*
			European Commission	Adviser
			National Governments and individuals especially in Africa, Europe and the Americas	Adviser
Professor F. Brown	None	None	None	None
Professor J. Collinge	None	None	Wellcome Trust	Research Grant Holder
			Biotechnology & Biological Sciences Research Council	Research Grant Holder
			The David and Frederick Barclay Foundation	Research Grant Holder
			Department of Health	Research Grant Holder
			European Commission BIOMED Programme	Research Grant Holder
			Medical Research Council	Research Grant Holder
			European Commission (DG VI)	Deputy Chairman of the High Level Group on BSE (The Weissmann Committee) (Final Report completed)
Professor W. D. Hueston	Cargill	Consultant	Office Internationale des Epizooties	Adviser
	Hancock-Jaffe Laboratories	Consultant		
	Mullin, Hoard & Brown (Solicitors)	Consultant	Food & Drug Administration (USA)	Adviser
	Cyto Therapeutics	Consultant		
Dr. R. H. Kimberlin	Petfood Industry	Consultant	European Commission	Adviser
	Pharmaceutical Industry (world-wide)	Consultant	United Nations (Food and Agriculture Organisation)	Adviser
	Meat and Livestock Commission	Consultant	Office International des Epizooties	Adviser
			National Governments in Europe, Americas and Australasia	Adviser
			World Health Organisation	Adviser
Dr. M. J. Painter	None	None	None	None
Mr. D. B. Pepper	Veterinary Pharmaceutical Industry	Freelance Consultant	None	None
	Veterinary Defence Society Ltd.	Claims Consultant		
Professor P. G. Smith	None	None	Department of Health	Grant Holder
Dr. W. A. Watson		Sheep farmer	None	None
	International consultancy companies	Occasional consultancy work overseas		

Professor Allen's commercial and non-commercial interests have not been included in the table as she tendered her resignation from the Committee on 4 December 1996, having accepted the position of Research and Development Director for Northern Ireland.

Policy Reviews

Mr. Malcolm Bruce: To ask the Minister of Agriculture, Fisheries and Food if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10188]

Mr. Morley *[holding answer 22 July 1997]:* The following reviews have been announced by the Department.

A review of the case for inoculation as a substitute for rabies quarantine has been announced. It is not yet clear when this will be completed.

A review of the Milk Development Council has been announced. It is expected to be completed later this year.

An urgent review of the arrangements for enforcing the rules on the welfare of animals exported live to the continent has been announced. The intention is to introduce as soon as practicable changes which are shown to be necessary .

A review of salmon and freshwater fisheries policy and legislation has been announced. It is expected to be completed within 18 months.

A comprehensive spending review has been announced. It is expected to be completed by March 1997.

Cattle Traceability System

Mr. Hill: To ask the Minister of Agriculture, Fisheries and Food what proposals the Government have for a computerised cattle traceability system; and if he will make a statement. [9119]

Mr. Rooker: We intend to introduce such a system as soon as we can. Work is now under way, including discussions on detailed points of implementation with the livestock industry.

TREASURY

Investors Compensation Scheme

Mr. Waterson: To ask the Chancellor of the Exchequer what assessment he has made of the administration of the investors compensation scheme with particular reference to the financial services firm Knight Williams and Co.; and if he will make a statement. [9698]

Mrs. Liddell: Oversight of the investors compensation scheme is the responsibility of the Securities and Investments Board.

Windfall Tax

Mr Colvin: To ask the Chancellor of the Exchequer what assessment he has made of the impact on pension funds of *(a)* changes to advance corporation tax in the Budget and *(b)* the introduction of the windfall tax; and if he will make a statement. [7647]

Dawn Primarolo: Changes to the corporation tax system announced in the Budget will encourage long-term investment. The windfall tax funds the new deal for young and long-term unemployed, for lone parents and for schools. This is a significant investment in human capital. Pension funds should benefit over the long-term from the improved company performance resulting from the strong and stable economy which this Budget promotes.

Mr. Vaz: To ask the Chancellor of the Exchequer how many representations he has received from *(a)* hon. Members and *(b)* members of the public concerning his windfall tax proposals. [9887]

Mr. Geoffrey Robinson: Some 30 hon. Members have written attaching constituents' letters. Some 130 letters have been sent direct by members of the public. The vast majority were in favour of the Government's proposals to introduce a windfall tax on the excess profits of the privatised utilities.

Mr. Beith: To ask the Chancellor of the Exchequer if, under his proposals in the Finance Bill, any liability to windfall tax can arise *(a)* in respect of the profits earned by privately owned statutory water companies, and *(b)* where such companies have been taken over by privatised companies, in respect of any part of the profits attributable to that part of the business which was previously in private ownership. [10146]

Mr. Robinson *[holding answer 22 July 1997]:* The windfall tax applies only to companies previously within the public sector which were privatised by flotation and are subject to economic regulation by statute; that definition excludes water companies which have always been in the private sector. The tax is charged on the difference between the value of the floated company, calculated by reference to profits made in the initial period after flotation, and the value placed on the company at the time of flotation. Where the floated company has produced group accounts, these are used to produce the relevant profit figure.

Mr. Boswell: To ask the Chancellor of the Exchequer what information his Department collates on privatisation exceeding £50 million in other countries of the European Union; what were the premiums on the issue price five years after privatisation; and what windfall taxes were imposed. [10007]

Mr. Robinson: No such information is collated.

Stability Pact

Sir Richard Body: To ask the Chancellor of the Exchequer if the United Kingdom has official agreed to join the stability pact set out at Amsterdam in the presidency conclusions; at what point the United Kingdom will be bound by its provisions; and if he will make a statement. [10209]

Mrs. Liddell *[holding answer 22 July 1997]:* The stability and growth pact comprises two regulations and a resolution of the European Council. The first regulation, on the surveillance procedures, comes into force on 1 July 1998; and the second, on the excessive deficits procedures, comes into force on 1 Janaury 1999, in accordance with the timetable for the single currency. The pact creates no new legal obligations on the conduct of the Government's economic policy in view of the opt-out. Sanctions under the excessive deficits procedure cannot apply to the United Kingdom if we do not join the single currency.

Gross Domestic Product

Mr. Caton: To ask the Chancellor of the Exchequer if he will list the gross domestic products of *(a)* England, *(b)* Scotland, *(c)* Northern Ireland and *(d)* Wales as a percentage of the United Kingdom gross domestic product in each year from 1979 to 1995. [9984]

Mrs. Liddell *[holding answer 22 July 1997]:* The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Martin Caton, dated 24 July 1997:

The Chancellor of the Exchequer has asked me to reply to your recent question on estimates of Gross Domestic Product for the territories of the United Kingdom for each year from 1979 to 1995.

Estimates of GDP for Wales, Scotland, Northern Ireland and the Standard Statistical Regions of England for the years 1985 to 1995 were published in the article "Regional Accounts 1995 part 1" starting on page 15 of the January/February 1997 edition of Economic Trends, which is available in the House of Commons Library. Data for the whole period 1979 to 1995 are available on the Regional Accounts Database, which can be accessed by the Library.

National Savings

Ms Lawrence: To ask the Chancellor of the Exchequer what performance targets have been set for National Savings for 1997–98. [10808]

Mrs Liddell: National Savings has as its declared objectives: to manage the retail component of the national debt portfolio so as to minimise the combined cost and risk of the total stock of debt and to meet funding needs cost-effectively; to promote Government savings policies in so far as is consistent with the above, and where it is not consistent to make any subsidy visible to Ministers; and to compete in the retail savings sector in a commercial

manner without distorting the market. During 1997–98 National Savings will be set the following challenging targets:

(i) To work within the terms of the Funding Remit' for 1997–98;

(ii) To manage National Savings so as to deliver its aims within the resources allocated by Parliament;

(iii) To develop agreed measures with the Treasury for tracking value creation by 31 December 1997;

(iv) To introduce improved systems and investigate past problems to meet the recommendations in the National Audit Office report on Financial Accounting (HC 9 96/97) by 31 December 1997;

(v) To improve efficiency by 3 per cent. in 1997–98;

(vi) To reorganise the Agency with the aim of segmenting purchasing and internal service provision and to develop value for money options for public/private sector partnerships in service delivery;

(vii) To achieve a 97 per cent. outturn against all National Savings published timeliness targets;

(viii) To achieve an overall accuracy level of 97 per cent. on those transaction processes that most affect customers (purchases and repayments);

(ix) To show 95 per cent. of customers surveyed are satisfied or very satisfied with the service received from National Savings;

(x) To maintain the Investors in People accreditation covering at least 95 per cent. of National Savings' workforce.

' The funding remit sets out the costs and volume assumption that National SAvings works to. It was published in the Debt Management Report issued in March 1997.

Comprehensive Spending Review

Mr. Timms: To ask the Chancellor of the Exchequer if he will make available the terms of reference for the separate departmental spending reviews making up the comprehensive spending review announced by the Chief Secretary on 11 June. [10807]

Mr. Darling: The terms of reference of the departmental and cross-departmental reviews have been placed in the Library today.

The comprehensive spending review aims to allow the Government to bring public spending programmes into line with its priorities and objectives. It will be truly comprehensive, embracing all items of public expenditure. It will also be focused on the long term, looking at the shape of public spending to the end of the century and beyond.

Ministers have agreed that they will examine each and every item in his or her Department to consider whether it meets the public interest, whether it contributes to the achievement of the Government's objectives, whether it is the most effective way of achieving those objectives, and whether there is scope for improving efficiency and effectiveness. This will include a thorough look at whether the best use is being made of public assets, with a view to disposing of those which are surplus and which could be used more productively elsewhere and making more use of public-private partnerships.

The review will be thorough. As well as looking at Departments' spending it will also address issues that stretch across departmental boundaries. There will be several self-standing cross departmental reviews, including reviews of the criminal justice system, the local government finance system, the countryside and rural policy and housing. In addition, each Department will examine jointly with other Departments those areas where important issues cut across departmental boundaries, such as aid and trade provision, science and simplifying government.

This will be a far-reaching look at what the Government spends people's money on. It will ensure that public spending promotes opportunity and employment, investment and fairness. Its conclusions will be the basis for spending plans for the future that reflect our priorities and meet the country's needs.

Investment Income

Mr. Denzil Davies: To ask the Chancellor of the Exchequer if he will estimate the total revenue yield in a full year of the imposition of a tax at the rate of 20 per cent. on the investment income, other than dividends received from United Kingdom resident companies, of pension funds and life assurance companies. [8751]

Dawn Primarolo: Using calculations based on my right hon. Friend's assumption an estimate of the full year yield for 1997–98 from a tax at 20 per cent. on the investment income, other than dividends paid by UK companies, of the funds of occupational pension schemes and the pension funds invested by life insurance companies is about £4½ billion. This estimate does not take account of any behavioural effects which might result from such a change. The investment income arising from the UK non-pensions business of life insurance companies is already subject to tax.

Local Government Finance, Scotland

Mr. Swinney: To ask the Chancellor of the Exchequer, pursuant to his answer of 2 July, *Official Report*, columns *179–80*, if he will list the information requested taking account of the changes in the composition of the Scottish block and the price bases to deflate the figures to 1996–97 prices; if he will list the total expenditure over the period at 1996–97 prices; and what this expenditure would have been had no changes been made to the formula. [7805]

Mr. Darling *[holding answer 14 July 1997]:* Table 1.3 of the "Scottish Departmental Report" (Cm 3614) details the Scottish block in cash terms. The relevant figures at 1996–97 prices for the period 1991–92 to 1997–98 are shown in the table:

	£ million
1991–92 Outturn	13,086
1992–93 Outturn	13,546
1993–94 Outturn	13,970
1994–95 Outturn	14,317
1995–96 Outturn	14,117
1996–97 Forecast	14,015
1997–98 Plans	13,322

Most of the reduction in the final year of this series is accounted for by water debt commutation and by the proposed sales of the student loans book and the Scottish Homes loan book.

Tables 1.2 and 1.3 of "Public Expenditure Statistical Analyses" gives the total expenditure within the control total, by Department form years 1991–92 by Department in cash and real terms (1995–96) respectively. Tables 5.2 and 5.3 detail central Government expenditure within the control total by Department for the period from 1978–79 in cash and real-terms (1995–96 prices) respectively.

Additional information is not held in the form requested and could be obtained only at disproportionate cost.

Personal Pensions

Ms Kelly: To ask the Chancellor of the Exchequer what estimate he has made of the number of people in Bolton, West who have been mis-sold personal pensions; and how many of these have received compensation. [9687]

Mrs. Liddell: No such estimates have been made.

Banks (Public Funds)

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will list the 10 banks receiving the highest amounts of payment from public funds in the last available year. [9870]

Mrs. Liddell: That information is not held centrally and could be obtained only at disproportionate cost.

British Nuclear Fuels (Pension Scheme)

Helen Jones: To ask the Chancellor of the Exchequer if he will allow BNFL employees who transfer to wholly owned subsidiaries of that company to remain in the Principle non-industrial superannuation scheme. [9215]

Mr. Geoffrey Robinson *[holding answer 21 July 1997]:* No. Primary legislation would be required to allow employees of wholly-owned subsidiaries of BNFL to remain in the PNISS pension scheme. There are currently no plans for such legislation. BNFL has set up and operates its own group pension scheme which closely mirrors the United Kingdom Atomic Energy Authority's principal non-industrial superannuation scheme.

Spring 1998 Budget

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer when he expects to publish a consultative paper in relation to his spring 1998 Budget; and if he will make a statement. [9486]

Mr. Gordon Brown *[holding answer 21 July 1997]:* I will publish a consultative economic paper, which will include an economic forecast, some months in advance of the spring Budget. No decision has been taken yet on the exact timing.

Public Sector Pay

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will make a statement on the effects of the change in the GDP deflator forecasts announced in his Budget on the level of public sector pay increases for 1998–99 and 1999–2000. [9481]

Mr. Darling *[holding answer 21 July 1997]:* All Departments are reallocating spending within their departmental ceilings as part of the comprehensive spending review.

The Government's approach to public sector pay is that pay increases must be affordable within agreed spending plans.

INTERNATIONAL DEVELOPMENT

Land Mines

Mr. Cox: To ask the Secretary of State for International Development if she will list the countries to which Her Majesty's Government are providing assistance on the detection of anti-personnel mines. [9187]

Clare Short: We are directly supporting demining activities in Afghanistan, Bosnia, Cambodia, Northern Iraq, Laos and Mozambique.

Additionally, the UK contributes to demining activities funded through the European Commission, the United Nations and the Organisation of American States.

United Nations High Commissioner for Refugees

Mr. Peter Ainsworth: To ask the Secretary of State for International Development what procedures exist for ensuring value for money in commercial contracts between the UNHCR and suppliers. [9414]

Clare Short: The UNHCR follows a set of procurement procedures to ensure value for money. Competitive bidding is employed to ensure public accountability, including checks and audits by internal and external bodies.

Reproductive Health Initiative

Mr. Martyn Jones: To ask the Secretary of State for International Development if she will publish the terms of the agreement signed on 30 January by the European Commission and the UN Population Fund to launch a reproductive health initiative in Asia. [9839]

Clare Short: A copy of the agreement has been placed in the Library.

Asia Initiative

Mr. Sedgemore: To ask the Secretary of State for International Development what is the size of the total allocation for the Asia initiative; and for how many years the programme runs. [9872]

Clare Short: The EC allocation for the Asia initiative for reproductive health is 25 million ecu—approximately £17 million. A further 5 million ecu is expected to be contributed by beneficiary organisations and through contributions in kind by the United Nations Population Fund, the implementing agency. The programme will run for four years, including one year for inception.

Employment Advertisements

Ms Perham: To ask the Secretary of State for International Development how often since 1992 her Department or the former Overseas Development Administration has been responsible for employment advertisements which contained age restrictions upon those who could apply. [9504]

Clare Short: An exact analysis of employment advertisements is not available except at disproportionate cost. The Department's policy is to recruit on merit and more than a quarter of professionals recruited since 1992 have been 50 or more years of age.

EU Aid Funds

Sir John Stanley: To ask the Secretary of State for International Development if she will make representations to the European Union against the use of EU aid funds for projects which put the interests of tourism before those of indigenous people in the areas concerned. [9918]

Clare Short *[holding answer 23 July 1997]:* My Department recognises that many indigenous groups suffer grave disadvantage in access to services, economic opportunities and in having their voices heard. We are committed to development which ensures that all local people are fully involved. At the June Development Council, it was agreed that the Commission should develop a policy paper on co-operation with and support for indigenous people. We look forward to helping to take this work forward.

Kalahari Bushmen

Sir John Stanley: To ask the Secretary of State for International Development what reports her Department has received about plans by the Botswanan authorities to move Kalahari bushmen out of the central Kalahari game reserve; and if she will make a statement. [9919]

Clare Short *[holding answer 23 July 1997]:* My Department is aware of and concerned about the resettlement programme for bushmen living in the central Kalahari game reserve. We have offered to finance a conference in Botswana to discuss these issues with all parties including the bushmen, and to help develop solutions. We would welcome any suggestions the hon. Member might wish to put forward.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for International Development how many and what percentage of employees in her private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [9574]

Clare Short: In my private office, one member of staff is of Asian origin—representing 10 per cent.—the staff and one is of Afro-Caribbean origin—10 per cent.

CULTURE, MEDIA AND SPORT

Millennium

Mr. Mitchell: To ask the Secretary of State for Culture, Media and Sport what grants *(a)* have been made and *(b)* are planned to be made in each year to 2001 by the Millennium Commission to (i) Millennium Central, (ii) Birmingham Millennium and (iii) other Millennium celebrations. [6061]

Mr. Chris Smith: This is a matter for the Millennium Commission. I shall write to my hon. Friend in my capacity as chairman of the Commission, and place copies of my reply in the Libraries of the House.

Departmental Advisers

Mr. Mitchell: To ask the Secretary of State for Culture, Media and Sport if he will list the special advisers in his Department, the Minister to whom each is responsible, the subjects on which they advise, and the number of advisers in his Department in the year up to 1 May. [5357]

Mr. Chris Smith: There are two special advisers in my Department, John Newbigin and Julian Eccles, who advise me across the full range of the Department's responsibilities.

There were two special advisers employed by the previous administration in the year to May 1997, one from 25 March to 10 October 1996, and the other from 2 October 1996 to 6 April 1997.

Millennium Commission

Ms Roseanna Cunningham: To ask the Secretary of State for Culture, Media and Sport (1) what is the overall budget of the Millennium Commission; if he will list the projects which have been earmarked for funding; and how much has been granted to each project; [6124]

(2) what percentage of awards from the Millennium Commission has been earmarked for projects in each of Scotland, Wales, Northern Ireland and England; and what percentage has been specifically earmarked for projects in London; [6125]

(3) if he will make a statement outlining the basis upon which the merit of an application for funding from the Millennium Commission is defined. [6126]

Mr. Chris Smith *[holding answer 3 July 1997]:* This is a matter for the Millennium Commission. I shall write to the hon. Member in my capacity as chairman of the Commission, and place copies of my reply in the Libraries of the House.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Culture, Media and Sport if he will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10185]

Mr. Tom Clarke *[holding answer 22 July 1997]:* In common with all other Departments, the Department for Culture, Media and Sport is undertaking a comprehensive spending review which will look across the whole Department at its aims, objectives and spending priorities. That review is expected to be complete by spring 1998.

The Department is conducting a separate review of film policy, which will explore how to maximise the cultural and economic contribution of the British film industry and is expected to report in February. A review of the national lottery instigated in May has led to the publication, on 21 July, of "The People's Lottery" White Paper. That says that the Director-General of Oflot will be asked to review existing licence application procedures in the light of responses to the White Paper.

ATTORNEY-GENERAL

Crown Prosecution Service Counsel

Mr. Mitchell: To ask the Attorney-General if he will estimate the financial impact of using salaried counsel employed by the Crown Prosecution Service to represent all its cases in higher courts. [9860]

The Attorney-General: No such estimate is available. The Lord Chancellor and the designated judges have still to take a decision on rights of audience for employed barristers.

Disability Appeal Tribunals

Mr. Flynn: To ask the Attorney-General what discussions he has had with the president of the independent tribunal service concerning the propriety of doctors who carry out medical examinations of disability living allowance claimants for the Benefits Agency being appointed as members of disability appeal tribunals.[10219]

The Attorney-General: I refer my hon. Friend to the answer given to him today by my right hon. Friend the Secretary of State for Social Security.

DEFENCE

Fixed Telecommunications System

Mr. Ainger: To ask the Secretary of State for Defence if he will make a statement about the defence fixed telecommunications system. [10868]

Mr. Spellar: The previous Government announced on 6 November 1996, *Official Report*, column *521* that they intended to commence contract negotiations for the defence fixed telecommunications system with the preferred bidder, the INCA consortium led by British Telecommunications plc.

Contractual negotiations have now been successfully completed and a 10-year contract, based on the principles of the private finance initiative, has been awarded to the consortium. Under the contract, which will be signed tomorrow, ownership of and responsibility for the operation and maintenance of most of the defence fixed telecommunications assets in Great Britain will pass to the private sector. This arrangement will enable the MOD to continue to reach the required levels of performance while benefiting from access to continually evolving technology.

The contract is worth more than £800 million, which makes it the largest MOD PFI deal so far. Savings to the MOD are estimated to be more than £100 million over the 10-year period of the contract.

The contractor will perform the work currently undertaken by about 1,200 civilian and service personnel. Where appropriate, the Transfer of Undertakings (Protection of Employment) Regulations 1981 will apply. Where TUPE does not apply, the MOD will be taking all possible steps to minimise the effect on civilian staff in posts that lapse. Regrettably, the need for some compulsory redundancies among civilian staff cannot be ruled out. Military personnel occupying affected posts will be redeployed to other service duties.

Married Quarters

Mr. Ainger: To ask the Secretary of State for Defence, pursuant to his answer of 27 June, *Official Report*, column *662*, if he is in a position to provide information on the fees paid to National Westminster Markets Ltd. for preparing and completing the asset sale of the Ministry of Defence married quarters estate to Annington Homes. [10936]

Mr. Spellar: Fees paid to the National Westminster Markets Ltd. totalled £4,614,000 excluding VAT. This was a combination of monthly fixed-rate time-based fees and a commission of 0.1 per cent. of the sale price achieved for the MOD in excess of £520 million.

Prisoners of War (Pay Deductions)

Mr. Ainger: To ask the Secretary of State for Defence what decision he has made following the review of deductions made from the pay of officer prisoners of war and protected personnel in German and Italian hands during the second world war; and if he will make a statement. [10869]

Mr. Spellar: My Department has conducted an extensive review of the issue of pay deductions from officer prisoners of war and protected personnel in German and Italian hands during the second world war and the subsequent arrangements for repayment. Overall, the review found no evidence of lack of care, of significant injustice or of grave financial disadvantage. The long and detailed report accepts that there were real difficulties but these were recognised at the time and reasonable steps were taken to minimise them. Accordingly, there is no basis for reopening the issue. I have placed a copy of the full report in the Library of the House.

I am writing to those individual right hon. and hon. Members who have a constituency interest. Former officer prisoners of war and protected personnel covered by the review and their families who have written direct to my Department will also be contacted to let them know the result of the review. I know and very much regret that the people who have had their hopes raised will be very disappointed. I must conclude that the contemporary evidence does not support the claims that have been made.

Copies of my foreword to the report are also being placed in the Vote Office.

Battle Tanks

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will publish the Army's future requirement for a main battle tank and the number to be ordered. [7824]

Dr. Reid: On current plans, the Army's requirement for a main battle tank is to be met by procurement of 386 Challenger 2 tanks, which have already been ordered.

As I made clear in my answer to my hon. Friend the Member for Conwy (Mrs. Williams) on 10 July, *Official Report*, column *531*, during the strategic defence review there will be no moratorium on defence procurement, and projects where contracts have already been placed will continue. Decisions on major equipment programmes not yet under contract will be considered on their individual circumstances in relation to progress with the review.

Equipment Approvals Committee

Sir George Young: To ask the Secretary of State for Defence when the equipment approvals committee will hold its next meeting. [9169]

Mr. Spellar: This information continues to be withheld under exemption 7 of the code of practice on access to Government information.

Submarines

Mr. Hancock: To ask the Secretary of State for Defence if the terms of reference of the defence review include consideration of additional conventional roles for Vanguard class nuclear-powered submarines. [9407]

Dr. Reid: The strategic defence review will examine all aspects of our deterrence requirements to ensure that they fully reflect changing strategic circumstances. However, the Government have no plans to use our strategic deterrent platform in a conventional role.

Volunteers

Mr. Alan Simpson: To ask the Secretary of State for Defence how many volunteers aged under 18 years participated in the Gulf war. [9810]

Dr. Reid: Fully validated information on the number of British troops who served during the Gulf war, broken down into categories such as reservists and Territorial Army volunteers aged under 18 years, is not currently available. However, work is continuing to improve the quality of these data so that my Department can, in future, provide definitive answers to questions of this type.

RAF Laabruch and Bruggen

Mr. Hancock: To ask the Secretary of State for Defence what were the running costs for *(a)* RAF Laabruch and *(b)* RAF Bruggen (i) in total and (ii) excluding salaries in the last year for which figures are available. [10277]

Dr. Reid: The estimated running costs for RAF Laabruch and RAF Bruggen for the financial year 1996–97 are £78.4 million and £90.3 million respectively in total and £20.8 million and £20.4 million respectively excluding salaries.

National Service Medal

Mr. Green: To ask the Secretary of State for Defence if he will introduce a medal for all those who completed national service. [10358]

Mr. Spellar: I refer the hon. member to the reply I gave on 5 June to my hon. Friend the Member for Stoke-on-Trent, North (Ms Walley), *Official Report*, column *222*.

Starstreak Missile System

Mr. Maginnis: To ask the Secretary of State for Defence if he will expedite the acquisition of the laser-guided Starstreak missile system as an integral element in the Apache helicopter programme; and if he will resist US attempts to delay its acquisition until the infra-red Stinger missile system is modified and tested in an air-to-air role. [9012]

Mr. Spellar: The MOD is currently engaged with the US in a co-operative assessment of the Starstreak missile system in the air-to-air role. Following completion of these trials next year, the Department will assess carefully all the options for meeting the attack helicopter air-to-air requirement and decide the way forward for the UK.

Armed Forces Medical Service

Mr. Hancock: To ask the Secretary of State for Defence what plans he has to consider the establishment of a single armed forces medical service. [9416]

Dr. Reid: Provision of medical support to the armed forces will form part of the strategic defence review. There are no current plans to establish a single armed forces medical service, but any changes that arise from the review will be announced when the review is complete.

European Fighter Aircraft

Ms Kelly: To ask the Secretary for Defence what estimate he has made of the number of jobs in the United Kingdom *(a)* directly and *(b)* indirectly dependent on the European fighter aircraft project, broken down by (i) parliamentary constituency and (ii) region. [9686]

Mr. Spellar: Statistics for defence industry–related employment are collated on a regional basis and figures for parliamentary constituencies are not readily available. Current estimates indicate that there are about 6,000 high technology jobs in the UK directly dependent on the Eurofighter programme, primarily in the north-west and south-west of England, but involving approximately 100 companies in many parts of the UK. At peak production, this figure is estimated to rise to 14,000. Figures for the number of jobs indirectly dependent on the programme are currently unavailable.

Defence Sales

Mr. Cousins: To ask the Secretary of State for Defence on what dates, and with respect to which countries, his predecessors or their representatives have signed agreements or memorandums of understanding with foreign Governments since 1984 relating to sales of defence and defence-related equipment in which repayment was to be made in supplies of oil or gas. [10075]

Mr. Spellar: I am withholding this information in accordance with exemptions 1 and 13 of the code of practice on access to Government information.

Debt Payment

Mrs. May: To ask the Secretary of State for Defence what his Department's policy is on the timely payment of debt; and what its record has been on debt payment in the current financial year. [9322]

Mr. Spellar *[holding answer 18 July 1997]:* This is largely a matter for the chief executive of the Defence Bills Agency. I have asked the chief executive to write to the hon. Member. The other executive agencies that have responsibilities for payment of bills are also required to comply with departmental policy to pay bills promptly within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is the

later, where no such terms exists. Information on payment performance for these agencies for the current financial year could be provided only at disproportionate cost.

Letter from Mr. I. S. Elrick to Mrs. Theresa May, dated 24 July 1997:

I am replying to your question to the Secretary of State for Defence about Departmental debt payment as this matter falls, in the main, within my area of responsibility as Chief Executive of the Defence Bills Agency.

Departmental policy is to pay bills promptly within agreed contract terms, or 30 days from receipt of the goods or service or a valid invoice, whichever is later, where no such terms exist. Latest figures available for the current financial year show that during the period 1 April to 31 May 1997 the Defence Bills Agency paid 99.1% of bills within 11 days of their acceptance and 100% within 30 days. The Government will publish a league table of departmental payment performance for 1996–97 in the Autumn.

Organisation of Joint Armaments Co-operation

Sir Richard Body: To ask the Secretary of State for Defence to what extent organisation of join armaments co-operation projects are included in the defence review; and if he will make a statement. [10207]

Mr. Spellar *[holding answer 22 July 1997]:* The organisation of joint armaments co-operation, more usually known as the Organisme Conjointe de Cooperation en matiere d'armament—(OCCAR)—is in its formative stages. At present, no collaborative projects involving UK participation are managed by the OCCAR.

The prospective projects involving the UK currently identified for inclusion in the OCCAR framework—the counter battery radar programmes, COBRA; multi-role armoured vehicle, MRAV and the tri-national military satellite communications programme, TRIMILSAT—will be considered according to their individual circumstances and in relation to progress with the strategic defence review.

Reserve Forces

Mr. Hancock: To ask the Secretary of State for Defence what is the current strength of the reserve forces, by type. [9418]

Mr. Spellar *[pursuant to his reply, 21 July 1997, c. 401]:* I regret there was an error in the figures for the naval services. The correct figures are as follows:

Strength of the reserves and auxiliary forces 1 April 1997

	Number
Naval Services	
Regular reserves	23,100
Volunteer reserves and auxiliary forces	3,500
Army	
Regular reserves	190,100
Territorial Army	57,600
Royal Air Force	
Regular reserves	45,300
Volunteer reserves and auxiliary forces	1,400

HEALTH

Medicines (Information)

Mr. Llew Smith: To ask the Secretary of State for Health what plans his Department has to maximise public access to information on medicines. [9930]

Ms Jowell: We have asked the Medicines Control Agency to examine current policies on access to information about medicines. We will consider, in due course, what further action may be necessary to maximise such access whilst safeguarding legitimate confidential interests. We shall do so, taking account of the forthcoming White Paper on freedom of information and in the context of European Community licensing and control procedures.

Legal Costs

Sir Peter Lloyd: To ask the Secretary of State for Health what was the total cost of legal advice, damages and out of court settlements met by the NHS in defending or resolving claims made by former patients and their families in the most recent year for which figures are available. [9623]

Mr. Milburn: Information in the form requested is not kept centrally. Payments made in respect of compensation under legal obligation and clinical negligence/personal injury cases settled out of court in England in 1995–96 are shown in the table.

	£000
Compensation under legal obligation	48,730
Clinical negligence with qualified legal advice	110,672
Personal injury with qualified legal advice	12,925
Other clinical negligence and personal injury without qualified legal advice	1,033
Total	173,360

Source:
1. Annual accounts of district and regional health authorities and the special health authorities for the London postgraduate hospitals.
2. Annual accounts of NHS trusts.

Waste and Bureaucracy

Mr. Alan Williams: To ask the Secretary of State for Health what assessment he has made of the adequacy of his powers to tackle waste and bureaucracy within the national health service. [9904]

Mr. Milburn: Ministers are able, through the national health service executive, to introduce measures to tackle waste and bureaucracy in the NHS and we have already done so. On 22 May we announced a package of measures including a £100 million reduction in NHS management costs in 1997–98.

The Audit Commission also has an important role in promoting efficiency in the NHS.

Private Finance Initiative

Mr. Coaker: To ask the Secretary of State for Health when the various appeals related to the recent PFI hospitals announcement will be heard; and when the decisions will be announced. [9784]

Mr. Milburn: Representations are currently being considered. I will write to the parties concerned informing them of our decision very shortly.

Inequalities in Health

Mrs. Brinton: To ask the Secretary of State for Health what assessment he has made of the need for further research on occupationally-based inequalities in health. [10175]

Ms Jowell: Research on socio-economic differences in health are usually based on data derived by occupational classifications.

We have asked Sir Donald Acheson to carry out a review of inequalities in health, which will include occupationally based inequalities in health. In the light of that review the Department will assess the need for further research in this area.

The Economic and Social Research Council has recently assessed the need for research on socio-economic inequalities in health. It is currently commissioning a £4 million programme of research. The Department is currently commissioning research which will evaluate steps that the national health service has taken to reduce inequalities in health, including socio-economic inequalities.

Health Service Funding

Mrs. Virginia Bottomley: To ask the Secretary of State for Health how many health authorities and NHS trusts were in deficit at the end of the financial year in each of the past 10 years. [10074]

Mr. Milburn: The numbers of trusts and health authorities in deficit at the end of each year since 1988–89 were as follows:

Year	*Trusts*	*Health authorities*	*Family health services authorities*
1988–89	—	114(212)	—
1989–90	—	177(212)	[1]75(90)
1990–91	—	104(211)	[1]84(90)
1991–92	2(57)	53(206)	30(90)
1992–93	25(126)	89(199)	83(90)
1993–94	23(292)	67(167)	71(90)
1994–95	36(419)	65(121)	70(90)
1995–96	94(433)	92(115)	67(90)
1996–97	128(429)	59(100)	—

[1] The figures for 1989–90 and 1990–91 refer to Family Practitioner Committees.
1. The figures in brackets identify the total number of trusts/authorities in the relevant year.
2. Information is from the published accounts except for 1996–97 where the figures are from the Quarter 4 monitoring information.
3. Trusts were first established in 1991 and there are therefore no figures for earlier years.
4. Health authority figures for the period 1988–89 to 1995–96 include District, Regional and Special Health Authorities of the London postgraduate teaching hospitals.
5. The 1996–97 Health Authority figures are for merged health authorities (previously separate District Health Authorities and Family Health Service Authorities).
6. HA Accounts before 1991–92 are not comparable due to organisational changes.
7. Figures for earlier years, and in respect of FPCs for 1988–89 are not readily available.
8. Changes in accounting policies mean that not all years accounts are prepared on a comparable basis.

Mrs. Virginia Bottomley: To ask the Secretary of State for Health what was the increase in funding for the NHS in each of the past 10 years in *(a)* cash *(b)* real and *(c)* percentage terms; and what are those figures for 1997–98. [10087]

Mr. Milburn: The information requested is set out in the table.

National health service increases in funding

Year	*Increase in cash (£ million)*	*Increase in real terms (1996–97 prices) (£ million)*[1]	*Percentage growth (real terms)*[1]
1987–88	+1,495	+1,036	4.3
1988–89	+1,745	+889	3.5
1989–90	+1,442	+206	0.8
1990–91	+2,471	+1,079	4.1
1991–92	+3,027	+1,841	6.7
1992–93	+2,617	+1,712	5.9
1993–94	+971	+170	0.6
1994–95	+1,629	+1,259	4.1
1995–96	+1,388	+564	1.7
1996–97	+1,196	+313	1.0
1997–98	+1,359	+285	0.9

[1] GDP deflator of 2 July 1997.

Ophthalmic Surgery

Mrs. Ballard: To ask the Secretary of State for Health if he will increase the resources available for ophthalmic surgery; and if he will make a statement. [10012]

Mr. Milburn: We have just announced an increase in resources for the national health service for 1998–99 of £1.2 billion. It is for health authorities and general practitioner's to use these extra resources to plan and arrange services for their residents, following an assessment of their needs, and to make decisions about the level of resources required for any particular service.

Health Authorities

Mrs. Brinton: To ask the Secretary of State for Health what plans he has to review the duties devolved to health authorities under the National Health Service Act 1977. [10177]

Mr. Milburn: The roles and responsibilities of health authorities will be considered as part of the Government's plans to replace the internal market.

Consultant Lists

Mrs. Dunwoody: To ask the Secretary of State for Health how many doctors have *(a)* applied for and *(b)* been accepted on to specialist consultant lists; and how many are awaiting accreditation. [10068]

Mr. Milburn: Since 12 January 1996, the General Medical Council has received approximately 40,000 applications for entry to the specialist register. To date, the names of 29,219 doctors have been entered onto the register. These include both existing specialists and doctors who have completed their specialist training since 12 January. Since 1 January 1997, it has been a legal requirement for a doctor to be entered on the specialist register before taking up a substantive or honorary NHS consultant appointment.

The system of accreditation by the medical royal colleges was replaced from 12 January 1996 by the introduction of the certificate of completion of specialist training, awarded by the Specialist Training Authority. To date, the STA has awarded 1,589 CCSTs to doctors who have completed their specialist training.

Medical Negligence (Legal Actions)

Mr. Lock: To ask the Secretary of State for Health how many medical negligence legal actions have been brought against NHS trusts and health authorities in the last three financial years; and what were the total *(a)* legal costs involved in defending the actions, *(b)* legal costs paid out to plaintiffs in the actions and *(c)* awards made by courts or agreed out-of-court settlements to plaintiffs in the actions; and if he will make a statement. [10083]

Mr. Milburn: At present, information on the number of medical negligence legal actions and associated legal costs is not held centrally, although plans are in hand to improve the range and quality of data on clinical negligence. The total amount paid in respect of compensation under legal obligation, and clinical negligence and personal injury cases settled out of court in 1995–96 in England was £173.6 million.

Community Pharmacies

Mr. Colvin: To ask the Secretary of State for Health if he will publish his Department's targets relating to payments to community pharmacy contractors; and if he will make a statement. [10235]

Mr. Milburn: A payment representing approximately 80 per cent. of the amount due is paid on the first day of the month following that in which the prescription is submitted for pricing. The remainder is paid on the first day of the following month.

Infant and Nursery Education

Mr. Alan Williams: To ask the Secretary of State for Health if he will assess the different levels of resources available to *(a)* his Department and *(b)* the Department for Education and Employment in respect of the achievement of targets relating to (i) infant school class size and (ii) nursery places for four-year-olds. [9905]

Mr. Byers: I have been asked to reply.

The Department for Education and Employment will use the savings from the phasing out of the assisted places scheme, amounting to over £100 million by 2000, and £100 million or more each year thereafter, to secure reductions in infant class sizes; and some £672 million per annum, together with elements of revenue support grant, will be used to secure a nursery education place for all four-year-olds whose parents want one. The Department of Health is not expected to make resources available for these purposes.

Central Council for Education and Training in Social Work

Mr. Eric Clarke: To ask the Secretary of State for Health what plans he has for the quinquennial review of the Central Council for Education and Training in Social Work; and if he will make a statement. [10587]

Mr. Boateng *[pursuant to his reply, 23 July, c. 599]:* Three contextual matters for the review of the Central Council for Education and Training in Social Work should be included. A full text of my announcement including these three matters is as follows:

The Department, in collaboration with the Scottish Office, Welsh Office and Department of Health and Social Services Northern Ireland, will conduct a thorough review of the Central Council for Education and Training in Social Work. The review, which is now due as part of the regular five-yearly examination of non-departmental public bodies, will take the form of a prior options study. It will assess the extent to which the functions of the council are necessary for the achievement of the Government's policies and consider, with particular regard to the importance of securing the best value for money, the scope for rationalisation, privatisation, contracting out, market testing or transferring all, or part, of its functions to another body. We will consult widely with all parties who have an interest in the work of the council.

The review will have regard to and take account of:

- the implications of the Government's National Training Organisation initiative for the personal social services sector;
- the recommendations of the National Committee of Inquiry into Higher Education—the Dearing Report;
- the Government's plans for the training of probation officers;
- the Government's proposals for devolution in Scotland and Wales, and
- the Government's intention to establish a General Social Services Council.

To minimise uncertainty, we expect this fundamental review to be completed by the end of October. Throughout, the Government's objective remains to ensure that quality services are delivered through a workforce trained and qualified to appropriate levels of competence. Nothing must get in the way of achieving that objective.

TRADE AND INDUSTRY

Small Businesses

Mr. Fabian Hamilton: To ask the President of the Board of Trade what plans the Government have to reduce the bureaucracy connected with the regulation of small businesses. [9982]

Mr. Kilfoyle: I have been asked to reply. I refer my hon. Friend to the answer I gave on 2 July, *Official Report*, column *279*.

British Airways Disputes

Mr. Corbyn: To ask the President of the Board of Trade what discussions her Department has had with the Advisory, Conciliation and Arbitration Service concerning the disputes at British Airways. [8598]

Mr. Ian McCartney: My Department speaks regularly to ACAS about issues of common interest. My officials are aware that ACAS has been pursuing its independent role in seeking to assist the parties in the British Airways disputes and have kept in touch with progress.

Multilateral Agreement on Investment

Mr. Edward Davey: To ask the President of the Board of Trade what discussions she has had in respect of the multilateral agreement on investment; and if she will make a statement. [9901]

Mrs. Roche: This Government are working hard for a successful conclusion to the negotiations on a multilateral agreement on investment. In addition to regular contact with other Government Departments, there has been contact with representatives of business, labour, environment and other non governmental organisations. As part of the MAI outreach programme the UK has taken an active part in discussions with developing countries with an interst in the agreement.

Ministerial Travel

Mr. Hammond: To ask the President of the Board of Trade how many overseas visits to promote British exports she and her departmental Ministers have made since 2 May; how many such visits are planned for the remainder of 1997; and how many visits were undertaken by her Department during the year ending 1 May. [10132]

Mrs. Beckett: Since 2 May, my colleagues and I have made five overseas visits promoting British exports. At this stage, a further seven visits are planned for the remainder of 1997. During the year ending 1 May 1997, Ministers in the Department undertook 28 trade promotion-related visits. In addition to this, officials in my Department undertake regular overseas visits to promote UK trade and investment overseas. Information on these visits could be produced only at disproportionate cost.

Mr. Page: To ask the President of the Board of Trade what instructions she has issued to Ministers in her Department relating to restriction on their overseas travel. [9763]

Mrs. Beckett: My colleagues and I are fully committed to our responsibility to promote trade and investment and appreciate the importance of overseas visits as one method of fulfilling this responsibility. However, I have agreed with my colleagues that ministerial visits will be undertaken only if and when fully justified.

Hawk Aircraft (East Timor)

Ann Clwyd: To ask the President of the Board of Trade if she will publish the evidence she has received on the use of Hawk aircraft in East Timor since 1983. [10341]

Mrs. Roche: I refer my hon. Friend to the answer given to her today by the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Leeds, Central (Mr. Fatchett).

Consumer Education and Information Scheme

Mrs. Gillan: To ask the President of the Board of Trade, pursuant to her answer of 11 July, *Official Report*, column *649*, if she will list each consumer education and information scheme funded by the Government and the amount of funding in the current year. [9475]

Mr. Nigel Griffiths *[holding answer 18 July 1997]:* I have inherited no budget specifically for schemes as such.

Minster for Competition and Consumer Affairs

Mrs. Gillan: To ask the President of the Board of Trade what payment the Minister for Competition and Consumer Affairs or his staff have received for his articles in *Travel Weekly*. [9879]

Mr. Nigel Griffiths *[holding answer 21 July 1997]:* None. Prior to 1 May, payments were made to my researcher and these were declared in the Register of Members' Interests.

Mrs. Gillan: To ask the President of the Board of Trade on what occasions the Minister for Competition and Consumer Affairs met *(a)* Stelios Hasi-Ioannou and *(b)* other members of Easyjet management; what was the purpose of each meeting; and where they took place. [9818]

Mr. Griffiths *[holding answer 21 July 1997]:* I am not aware of Stelios Hasi-Ioannou.

However, I have met Mr Haji-Iannou on four occasions. In 1996, when he spoke at the Association of British Travel Agents convention; and in 1997 on three occasions—at the British travel industry hall of fame dinner, at lunch with the president of ABTA and others, and socially with one of his management colleagues when I attended the Institute of Travel and Tourism conference in Athens.

Hazardous Chemicals

Mr. Redwood: To ask the President of the Board of Trade if she will list the companies licensed to produce *(a)* thionyl chloride, *(b)* ethyl succinyl chloride and *(c)* propane phosphoric dichloride. [8973]

Mrs. Beckett *[holding answer 17 July 1997]:* Propane phosphoric dichloride is not know to my Department, although propane phosphonic dichloride is known. The production of this chemical, as well as of thionyl chloride and ethyl succinyl chloride, does not require a licence.

My officials advise that thionyl chloride is manufactured in the UK by three companies, ethyl succinyl chloride by one company and propane phosphonic dichloride by two companies, and that further information is available from the Chemical Industries Association Internet site, "Sourcerer"—http://www.sourcerer.co.uk.

Advisers

Mr. Redwood: To ask the President of the Board of Trade if she will list the *(a)* special advisers and *(b)* outside advisers to Ministers in her Department, indicating if each (i) receives a salary, (ii) has an office with clerical-secretarial support and (iii) can claim expenses. [8994]

Mrs. Beckett *[holding answer 17 July 1997]:* Dan Corry and Sheila Watson are salaried special advisers, who can claim expenses according to DTI rules. Lord Hollick is an unpaid special adviser, who does not claim expenses. They share a private secretary and a personal secretary. I also seek a range of external advice from a wide variety of sources.

Single Currency

Mr. Redwood: To ask the President of the Board of Trade what assessment she has made of the likely impact of the single currency on the interests of British business. [7554]

Mrs. Beckett: I refer the right hon. Member to the reply given by my right hon. Friend the Chancellor of the Exchequer on 17 July 1997, *Official Report*, columns *244–45*.

BP

Mr. Redwood: To ask the President of the Board of Trade what representations she has received from BP since her appointment. [8972]

Mrs. Beckett *[holding answer 17 July 1997]:* Personally, none. However, Ministers and officials in the Department have frequent contact with major UK companies such as BP and will have discussed a range of issues with them since the election.

WALES

Welsh Office Budget

Mr. Öpik: To ask the Secretary of State for Wales if he will make a statement on his proposals to compensate for the real term reductions in the Welsh Office budget for 1997–98. [8428]

Mr. Ron Davies: I refer the hon. Member to the answer I gave on 16 July to the hon. Member for Gordon (Mr. Bruce) *Official Report* column *208*.

Stationery

Ms Walley: To ask the Secretary of State for Wales how much his Department spent on stationery provision in respect of paper items in each of the last five years. [8870]

Mr. Ron Davies: Information in the form requested is not held centrally. The cost of my Department's stationery provision, which includes the cost of all paper items, in each of the last five years is as follows:

1992–93: £508,320

1993–94: £560,868

1994–95: £455,118

1995–96: £470,598

1996–97: £509,968

Cardiff Bay Barrage

Mr. Matthew Taylor: To ask the Secretary of State for Wales what assessment he has made of whether the stated economic benefits of the proposed Cardiff Bay barrage constitute imperative reasons of overriding public interest under article 6(4) of the EC habitats and species directive (92/43/EEC). [8653]

Mr. Ron Davies: I have reviewed the content of the discussions between my Department and the European Commission on this subject. The Commission has accepted that the measures proposed by the Government would meet the requirements of article 6(4) of the habitats directive.

Welsh Assembly

Mr. Rowlands: To ask the Secretary of State for Wales (1) what estimate he has made of the number of staff who will remain responsible to him after the establishment of a Welsh Assembly; and what percentage of the total number of Welsh Office staff this will represent; [8914]

(2) what plans he has to establish a staff commission for his Department, following the establishment of a Welsh Assembly. [8915]

Mr. Ron Davies: I have set out my proposals for the staffing of the Welsh Assembly in the White Paper "A Voice for Wales" which was published on 22 July.

Referendum

Mr. Öpik: To ask the Secretary of State for Wales if he will make a statement on his policy in relation to homeless people voting in the referendum on devolution. [8931]

Mr. Ron Davies: People living in Wales will be able to vote in the Welsh Assembly referendum if they are included in the local government electoral register in Wales. It is for electoral registration officers to determine whether an individual qualifies for inclusion in the register.

Civil Servants

Mr. Vaz: To ask the Secretary of State for Wales how many civil servants there are in total on each pay band in his Department. [9573]

Mr. Ron Davies: The following is the information:

Grades	*Number of pay bands within grade*	*Number of staff within grade*
Senior Civil Service	10	63
Principal Nursing Officer	1	0
Nursing Officer	1	4
Grade 6 and equivalents	3	18
Grade 7 and equivalents	4	145
SEO and equivalents	8	119
HEO and equivalents	11	296
EO and equivalents	9	505
AO and equivalents	7	566
AA and equivalents	4	561
Industrials and MSG	8	134
GLS and student placements	1	7

Some of the paybands within a grade may have no population, but that information could be provided only at disproportionate cost.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Wales how many and what percentage of employees, in each pay band, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9572]

Mr. Ron Davies: The information requested is not held centrally.

Mr. Vaz: To ask the Secretary of State for Wales how many and what percentage of employees in his private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [9571]

Mr. Ron Davies: The information requested would breach confidentiality as it would allow the identification of individuals.

Clwydian Community Trusts

Mr. Barry Jones: To ask the Secretary of State for Wales if he will take steps to improve the morale of employees in the Clwydian community trusts. [9941]

Mr. Win Griffiths: The morale of staff in any organisation is a matter for its managers. The Government's intention to abolish the internal market and damaging inter-trust competition will, however, lead to a situation where staff can concentrate on their vocations rather than wasteful and unnecessary activity.

Internet

Mr. Martyn Jones: To ask the Secretary of State for Wales what steps he has taken to expedite the construction of his Department's web site; if he will ensure that priority is given to access to press notices and that adequate links to and from the web site of the Central Office of Information are included; and if he will make a statement. [9843]

Mr. Ron Davies: I refer my hon. Friend to the reply I gave to the hon. Member for Huddersfield (Mr. Sheerman) on 26 June 1997, *Official Report*, column *625*. I confirm that my Department's press notices will appear on the Welsh Office Internet site on the day of publication and that there will be a Hypertext link with the Central Office of Information web site. In addition there will be a dedicated site featuring information relating to the referendum for a Welsh Assembly.

European Committee of the Regions

Mr. Livsey: To ask the Secretary of State for Wales what plans he has to change the Welsh representation on the European Committee of the Regions; and if he will make a statement. [9834]

Mr. Hain: The term of office of the current three Welsh members of the Committee of the Regions and their alternates, like all UK members, will expire on 25 January 1998. The Government will be considering in due course the question of appointments after that date.

Compulsory Competitive Tendering

Mr. Touhig: To ask the Secretary of State for Wales when he intends to consult on proposals to modify the current compulsory competitive tendering regulation and guidance; and if he will make a statement. [10937]

Mr. Win Griffiths: Welsh Office officials will be writing tomorrow to local authorities and other interested parties with our proposals to modify the current CCT regulations and guidance. This follows a short review carried out by the Department of Environment, Transport and the Regions and the Welsh Office in consultation with the Local Government Association.

The Government are committed to ensuring the delivery of cost-effective quality services in local government. To this end, the proposals are designed to make the CCT statutory framework more consistent with the principles of best value. They are also intended to provide an incentive for authorities to take the voluntary route to competitive tendering and significantly reduce many of the prescriptive elements of CCT.

Full details of these proposals are contained in a consultation paper which will be placed in the Library of the House as soon as possible. We will also be consulting on revised guidance on good tendering practice which will promote fairness and transparency in procurement decisions. A draft will also be placed in the Library of the House.

The Welsh Office and local government in Wales are committed to developing the duty of best value. To take this initiative forward, we have agreed that a project group will be established to develop this important policy. The group will be co-chaired by the Welsh Office and the Welsh Local Government Association and will include representatives from the Audit Commission, Wales TUC and Wales CBI.

In developing this policy in Wales, the project group will build upon the work already undertaken by the Department of the Environment, Transport and the Regions and Scottish Office and apply it to the circumstances of Wales. Its first report should be available by mid-August.

I will make a further announcement once I have considered this report.

NORTHERN IRELAND

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for Northern Ireland how many and what percentage of employees, in each pay band, in the quangos for which her Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9578]

Mr. Paul Murphy: There is no statutory requirement on employers to maintain personnel records about the ethnic origin of their employees. Moreover, the recruitment and employment of staff in non-departmental bodies are generally operational matters for each individual body. The information requested is not therefore formally maintained by Northern Ireland Departments.

Mr. Vaz: To ask the Secretary of State for Northern Ireland how many and what percentage of employees in her private office are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [9577]

Marjorie Mowlam: The figures for employees in my London private office are two of Asian origin 16.7 per cent., and one of Afro-Caribbean origin, 8.3 per cent. It is not possible to provide the information requested in respect of employees in my Belfast private office. Staff in Northern Ireland are not monitored in respect of ethnic origin, but the Department will be reviewing monitoring polices to take account of the Race Relations (Northern Ireland) Order 1997 when it is implemented.

Civil Servants

Mr. Vaz: To ask the Secretary of State for Northern Ireland how many civil servants there are in total on each pay band in her Department. [9579]

Mr. Paul Murphy: The Northern Ireland civil service is currently undertaking a review of its pay and grading structures and no decision has yet been taken on revised pay bands.

The table has been prepared on the basis of the current pay bands. The left-hand side shows the numbers of staff in the senior civil services in the pay band ranges set out in £5,000 bands, and, the right-hand side, the numbers of general service and analogous grades below the SCS in the relevant pay bands. The figures are full-time rates of basic salary, excluding allowances.

The figures for the general service include a number of specialist grades which, although analogous, have a higher maximum point on the particular pay range. For some specialist grades, this pay lead may result in the maximum point being up to 10 per cent. higher than that for the analogous general service grade.

The figures cover all NICS staff and include a number of home civil service staff who work in the Northern Ireland Office.

Number of staff in each pay range/band

Grade (or analogous)	*Pay range band (£)*	*Number of staff in grade*
Senior Civil Service	105,000+	1
	100,000–105,000	—
	95,000–99,999	1
	90,000–94,999	—
	85,000–89,999	1
	80,000–84,999	3
	75,000–79,999	3
	70,000–74,999	4
	65,000–69,999	14
	60,000–64,999	19
	55,000–59,999	23
	50,000–54,999	75
	45,000–49,999	78
	40,000–44,999	28
	Below 40,000	6
	Total	256
Unified Grade 6	29,844–50,261	268
Unified Grade 7	26,154–40,909	867
Deputy Principal	19,611–30,371	1,501
Staff Officer	15,839–21,491	2,403
Executive Officer Grade I	13,324–18,639	3,399
Executive Officer Grade II	11,323–15,839	3,453
Administrative Officer	9,080–12,735	7,782
Administrative Assistant	7,166–10,735	5,049
	Total	24,722

Marches (Leaked Document)

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland whether a restricted circulation copy of the leaked internal Government document on marches was made available to the Anglo-Irish secretariat; if the proposed inquiry into the leaked document will be authorised to investigate Irish civil servants and Irish Ministers associated with the Anglo-Irish secretariat in Northern Ireland; and if she will make a statement. [9188]

Marjorie Mowlam: The leaked internal document dealing with marches was copied to the British side of the Anglo-Irish secretariat. In common with established practice regarding protectively marked British material, it was not made available to the Irish side, so no question of involving Irish Ministers or civil servants arises.

Private finance Initiative

Mr. Beggs: To ask the Secretary of State for Northern Ireland (1) if she will make a statement on the implications of the PFI for public service employees; [9770]

(2) if the Transfer of Undertakings (Protection of Employment) Regulations 1981 apply to staff involved in a project under the PFI. [9773]

Mr. Paul Murphy: If the outcome of a PFI is the transfer to the private sector of an undertaking—within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 1981—TUPE will apply.

Mr. Beggs: To ask the Secretary of State for Northern Ireland what plans she has to establish a Northern Ireland consultative forum of employers, trade union and Department of Education, Northern Ireland representatives to examine the application of the PFI in the education sector in Northern Ireland; and if she will make a statement. [9800]

Mr. Worthington: The Department of Education has already consulted widely about the application of PFI in the education sector, and will continue to do so. I have no plans to establish a consultative forum for this purpose.

Royal Ulster Constabulary

Mr. McNamara: To ask the Secretary of State for Northern Ireland what are the terms of reference of the joint Police Authority for Northern Ireland and RUC working group established to tackle the imbalance in the number of women and Catholics in the force; and when it is expected to report. [9921]

Mr. Ingram: The first meeting of the joint RUC and Police Authority for Northern Ireland working group to address the under-representation of women, Roman Catholics and minority groups within the RUC has been set for late July. At this meeting, formal terms of reference and the time scale for completion of the work will form part of the discussion.

Human Rights

Mr. McNamara: To ask the Secretary of State for Northern Ireland what assessment she has made of the recommendations contained in a report of the public hearings in Washington DC organised by the House International Relation Sub-Committee on Human Rights into the protection of human rights in Northern Ireland and if she will make a statement. [9926]

Mr. Paul Murphy: I have not yet seen the report and the recommendations of the House International Relations Sub-Committee on Human Rights. When I have seen the report and studied the recommendations, I will write to my hon. Friend and place a copy of that letter in the Library.

Business Development Service

Mr. Salter: To ask the Secretary of State for Northern Ireland what key performance targets have been set for the Business Development Service in 1997–98. [10726]

Mr. Paul Murphy: The Business Development Service is a next steps agency within the Department of Finance and Personnel. It provides business support services in the areas of telecommunications—voice and data—management services, training, information technology and systems services and other central business facilities to Government Departments, their executive agencies and the wider public sector in Northern Ireland, where best value for money is achieved by central provision of the service.

I have set the agency the following targets for 1997–98:

at least 85 per cent. of customers to be satisfied with the service that they have received;

at least 85 per cent. of customers to be satisfied with the way in which services were provided to them;

an efficiency saving of 8 per cent. to be achieved in total running costs over the allocation for 1996–97; and

the Business Development Service to be positioned to recover from its customers the costs of all its services, commencing 1 April 1998.

Copies of the agency's corporate and business plans for 1997–98 to 1998–2000 will be placed in the Library.

Water Service

Mr. Salter: To ask the Secretary of State for Northern Ireland what key performance targets have been set for the Water Service in 1997–98. [10727]

Marjorie Mowlam: For 1997–98, the following key performance targets have been set for the Water Service:

1. To achieve 98.2 per cent. compliance with drinking water standards set in the Water Quality Regulations (Northern Ireland) 1994.
2. To achieve 67 per cent. compliance with the sewage treatment works discharge standards set by the Environment and Heritage Service.
3. To ensure that fewer than 0.8 per cent. of properties experience unplanned interruptions to water supplies lasting greater than 12 hours.
4. To issue substantive replies to 90 per cent. of written complaints within 15 working days of receipt.
5. To deliver water at a unit cost of 53p per cubic metre.
6. To treat sewage at a unit cost of 46p per cubic metre.
7. To maintain expenditure within cash limits and to approved budget plans.
8. To achieve efficiency gains of 3 per cent. on running costs expenditure.

The targets are included in the Water Service's 1997–98 corporate-business plan, a copy of which will be placed in the Library.

Statistics and Research Agency

Ms Rosie Winterton: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Northern Ireland Statistics and Research Agency for the financial year 1997–98. [10767]

Mr. Paul Murphy: For 1997–98 the following key performance targets have been set for the agency:

95 per cent. of key government users of the agency surveyed rating its overall service as satisfactory or better, with 40 per cent. rating it as very satisfactory.

95 per cent. of registered non-government users of the agency surveyed rating its overall service as satisfactory or better, with 30 per cent. rating it as very satisfactory.

To produce no fewer than 45 statistical publications and 12 ad hoc research publications during 1997–98.

80 per cent. of NISRA readers rating key publications as satisfactory or better, with 40 per cent. rating them as very satisfactory.

To complete a comprehensive census test of 9,000 households in Northern Ireland by July 1997.

To process 98 per cent. of postal and personal applications for general register office certificates within eight and three working days respectively.

To reduce by 2 per cent. the unit cost of producing civil registration certificates by the general register office.

To achieve a minimum 3 per cent. efficiency saving.

Full details are set out in the agency's corporate and business plan, copies of which will be placed in the Library of the House before the summer recess.

Jury Trials

Mr. Corbyn: To ask the Secretary of State for Northern Ireland what plans she has to increase the number of jury trials in Northern Ireland. [7306]

Mr. Ingram *[holding answer 17 July 1997]:* In Northern Ireland, for good reason, trials of terrorist offences are conducted without a jury. The Government are currently examining the existing procedures for designating offences as "terrorist" and they will change the procedures in due course if they consider there to be a good case for doing so.

Debt Payment

Mrs. May: To ask the Secretary for Northern Ireland what is the policy of her Department on the timely payment of debts; and what is her Department's record on the payment of debts in the current financial year. [9526]

Mr. Paul Murphy *[holding answer 18 July 1997]:* The policy of the Northern Ireland civil service and the Northern Ireland Office on the timely payment of debts is the same as for Great Departments. NI Departments are signed up to the NI CBI prompt payment code and are committed to the current target that no Department should fall below 95 per cent. attainment for prompt payment of undisputed bills.

The prompt payment consolidated statistics for NI Departments for the first quarter of the current financial year are not yet available. The statistics for the last period of 1996–97 show that 99.3 per cent., met the policy target.

Heterosexuals and Homosexuals

Kate Hoey: To ask the Secretary of State for Northern Ireland what factors determined the present age of consent for heterosexuals and homosexuals in Northern Ireland; and what are the reasons for, and origins of, the differences from those in Great Britain. [10150]

Mr. Ingram *[holding answer 23 July 1997]:* The age of heterosexual consent was raised from 16 to 17 years by the Children and Young Persons Act (Northern Ireland) 1950. The then Minister of Home Affairs accepted a recommendation in the report of the Lynn committee, "The Protection of the Young and the Treatment of Young Offenders", that the age of consent be raised to 17 years. The Government are not aware of any public pressure of demands from within Northern Ireland to lower the age or consent to 16 years.

The age of homosexual consent was reduced from 21 to 18 years, for the United Kingdom, by section 145 of the Criminal Justice and Public Order Act 1994.

Kate Hoey: To ask the Secretary of State for Northern Ireland how many people over the last two years were convicted of consensual sexual offences relating to *(a)* 16-year-olds and *(b)* 17-year-olds; and if she will indicate how many cases involved (i) heterosexual and (ii) homosexual acts. [10151]

Mr. Ingram *[holding answer 23 July 1997]:* The information is not available in the form requested. However, in 1995 and 1996, 16 and nine persons, respectively, were convicted of unlawful and carnal knowledge of a girl under 17. The figure for 1995 includes one 17-year-old and, for 1996, one 17-year-old and one 16-year-old. Information is not available about the ages of persons convicted of, or involved in, homosexual offences.

SOCIAL SECURITY

Pensions Review

Mr. Flynn: To ask the Secretary of State for Social Security if she will list the bodies and individuals who have been invited to participate in the pensions review. [10215]

Mr. Denham: We shall be engaging in an extensive level of public consultation to ensure that everyone with an interest can contribute to the pensions review. As part of this process, I wrote on 17 July to a large number of bodies and individuals representing pensioners, employers, employees, consumers, pensions experts and others, inviting contributions to the review. The distribution is shown on the following list.

The list is not meant to be exhaustive and letters will be sent to others on request. We would welcome contributions from any individuals or organisations with an interest in helping us to address the major pensions challenges that we have inherited. The widest possible consultation is essential if we are to achieve a wide and non-partisan consensus on the future for pensions.

The National Pensioners' Convention will be playing a specific and central role in the review to ensure that views of today's pensioners are at the heart of the review process. The NPC will be passing details of the review to all its delegates so that they have the fullest opportunity to contribute.

Following the end of the initial consultation period on 31 October 1997, there will be a period of further work and consultation after which the Government will prepare proposals for publication and further consultation in the first part of 1998.

Members of Parliament/House of Lords

All MPs

Spokesmen in the House of Lords

Pension Industry/Employer Representatives

Association of Pensioner Trustees
Association of Consulting Actuaries
Association of Unit Trusts and Investments
Association of Friendly Societies
Association of British Insurers
Association of Pension Lawyers
Association of Superannuation Funds of Australia
Association of Investment Trust Companies
Auditing Practices Board
Bank of England
British Insurance and Investment Brokers Association
Chartered Insurance Institute
Chartered Institute of Taxation
Confederation of British Industry
Corporation of Insurance and Financial Advisers
Engineering Employers Federation
Engineers and Managers Association
Faculty and Institute of Actuaries
Federation of Small Businesses

Friendly Societies Commission
Independent Financial Advisors Association
Industry Wide Pension Schemes Group
Institute of Chartered Accountants in England and Wales
Institute of Chartered Accountants in Scotland
Institute of Management
Institute of Directors
Institutional Fund Managers Association
Insurance Brokers Registration Council
Investment Management Regulatory Organisation
Joint Working Group on Occupational Pensions
Law Society of Scotland
Law Society
Life Assurance Association
National Association of Pension Funds
Occupational Pensions Regulatory Authority
Pensions Compensation Board
Pensions Ombudsman
Pensions Management Institute
Personal Investments Authority
Securities and Futures Association
Securities and Investment Board
Society of Financial Advisers
Society of Pension Consultants
SORP (Statement of Recommended Practice) Working Group
The Association of Corporate Trustees (TACT)
The Pensions Advisory Service

Commercial Organisations
Abbey National
Allied Dunbar
Barclays Bank plc
British Airways
Colonial Unity Trust Bank
Commercial Union
Eagle Star
Equitable Life
Godwins Ltd.
Halifax
Hartshead Pensikons
ICI
IFA Promotion
Legal and General
Lloyds Bank plc
M and G Group plc
Marks and Spencer
Midland Bank plc
Nat West Group
Nationwide Building Society
Nestle UK Ltd.
NPI
Pearl Assurance
Pension Store
PPP Lifetime Care plc
Pro-Share
Prudential
Rentokil Initial
Royal and Sun Alliance Insurance
Royal Bank of Scotland
J. Sainsbury
Save and Prosper
Scottish Widows
Scottish Amicable
Scottish Equitable
Scottish Life
Skandia Life
Standard Life
Storehouse plc
Sun Life
The Post Office
Virgin Management
Virgin Group Ltd.
Willis Corroon
Winterbourne Trustee Services Ltd.

Academic experts/Think Tanks/Individuals
Institute of Fiscal Studies
Policy Studies Institute
Social Market Foundation
Social Security Advisory Committee
Centre for Policy Studies
Politeia
Adam Smith Institute
Fawcett Society
Fabian Society
Institute for Public Policy Research
Professor Robert Walker, Centre for Research in Social Policy, Loughborough University
Social Policy Research Unit, York University
Pensions Institute, Birkbeck College, University of London
National Institute of Economic and Social Research
Lombard Street Research Ltd.
School of Social Sciences, University of Bath
Dr. Andrew Sentence, London Business School
Professor John Gray, Jesus College, Oxford
Professor George Yarrow, Hertford College, Oxford
Professor Tony Atkinson, Nuffield College, Oxford
Professor Roy Goode, St. John's College, Oxford
Dr. Corelli Barnett, Churchill College, Cambridge
Professor David Marsland, Brunel University College
Professor Townsend, Bristol University
Ruth Hancock, Age Concern Institute of Gerontology, Kings College, University of London
Citizen's Income Trust
Mr. Tony Lynes
Mr. George Taylor
Heather Joshi, Social Statistics Research Unit, City University
Sara Arber, Surrey University
Ceridwen Roberts, Family Policy Studies Unit
Sue Ward, Independent Pensions Research Group, Northern Pensions Research Group
Sir Michael Partridge
Martin Werth, Munich Reinsurance Company
Bryn Davies, Union Pension Services Ltd.
Carnegie UK Trust
Mr. Carroll, PAPRI
Mr. Brian Holden

Trades Unions
TUC
AEEU
CCSU
GMB
GPMU
MSF
NCU
NFU
NUT
PTC
RCN
TGWU
UNISON
USDAW

Pressure/Consumers Groups/Churches etc.
Abbeyfield Society
Age Concern
Age Concern Cymru
Association of Retired Persons over 50 (ARPO5O)
Campaign for Pension Fund Democracy
Care Forum Wales
Carers National Association
Consumers Association
COPAS (Confederation of Occupational Pensioners Association)
Disability Alliance
Disability Wales
Disability Income Group
Equal Opportunities Commission
Help the Aged
Joseph Rowntree Foundation

NACAB
National Federation of Post Office and BT Pensioners
National Federation of Women's Institutes
National Federation of Consumers Groups
National Council of Women
National Consumer Council
Office of Fair Trading
PARITY (formerly Campaign for the Equalisation of State Pension Age)
Pensioners Voice
Pensioners Rights Campaign
Plain Language Commission
Plain English Campaign
Public Service Pensioners Council
Royal National Institute for the Blind
T and G Retired Members Association
VOICES (Voluntary Organisations involved in caring in the elderly sector)
Wales Council for Voluntary Action
Wales Assembly of Women
Wales Pensioners
Welsh Consumer Council
Women's National Commission
Church of England
Roman Catholic Church
The Chief Rabbi
Church of Scotland
The Church in Wales

Local Government Bodies
Audit Commission
Bradford City Council
CIPFA
Convention of Scottish Local Authorities
County and District Councils (England and Wales)
County and County Borough Councils in Wales
Environment Agency
LIBA
Local Government Association
London Borough Councils
London Pensions Fund Authority
MPO
Scottish Regional, District and City Councils
Society of County Treasurers
Society of Metropolitan Treasurers
South Yorkshire PTA
South Yorkshire Pensions Authority
South Tyneside Metropolitan Borough Council
Tameside Metropolitan Borough Council
The Town Clerk, City of London
UKSC/LGMB
Welsh Local Government Association
Welsh Association of Health Authorities and Trusts
West Midlands PTA
Wirral Metropolitan Borough Council
Wolverhampton Metropolitan Borough Council

Other Government Departments/Bodies
No. 10 Policy Unit
DTI
HM Treasury
Department of Health
Inland Revenue
Scottish Office
Welsh Office
Department for Culture, Media and Sport
LCD
Environment
MOCOP—(public service pensions committee)
Government Actuary
Agricultural Wages Board
Office of Public Service:
Better Regulation Unit
Civil Service Pensions Division

Mr. Flynn: To ask the Secretary of State for Social Security if she will list the members of the pensions review team. [10217]

Mr. Denham: The pensions review team is led by me as the Minister with responsibilities for pensions, supported by a small group of officials. In keeping with our commitment to manage within current cash plans, the cost of the pensions review will be absorbed within the Department's existing running costs limit.

Mr. Flynn: To ask the Secretary of State for Social Security if copies of the papers prepared for the meetings convened by her between October 1996 and April 1997 to prepare for the pensions review have been supplied to the pensions review team; and if she will place copies of them in the Library. [10218]

Mr. Denham: I am making the papers prepared for the series of meetings held before 1 May available to officials in the Department's pensions review team. The wide-ranging review of pensions that we promised in the manifesto was announced by my right hon. Friend the Secretary of State on 17 July, *Official Report*, columns *239–41*.

Mr. Flynn: To ask the Secretary of State for Social Security what the terms of reference are of the group of pensions experts who have been asked to report on the state of pension provision in the United Kingdom and future trends; which experts have been invited to be members; what their qualifications are; what remuneration they will receive; and which of them have expertise relating to state pensions. [10216]

Mr. Denham: My right hon. Friend the Secretary of State has appointed Tom Ross of Alexander Clay and vice-president of the National Association of Pension Funds to chair the group of pensions experts. We shall announce further details of the expert group, including the group's terms of reference and the names of the experts, soon.

Disability Appeal Tribunals

Mr. Flynn: To ask the Secretary of State for Social Security what discussions she has had with the president of the independent tribunal service concerning the propriety of doctors who carry out medical examinations of disability living allowance claimants for the Benefits Agency being appointed as members of disability appeal tribunals. [10221]

Mr. Keith Bradley: On 9 July, we introduced the Social Security Bill which will modernise the delivery of social security, including the appeals system. This Bill provides for the Lord Chancellor or Lord Advocate in Scotland to appoint all tribunal members in the future. Medical members will be appointed in consultation with the chief medical officer.

My right hon. Friend the Secretary of State has not had any discussions with the president of the independent tribunal service regarding the propriety of doctors, but is satisfied that the current procedures in place for the appointment of members of disability appeal tribunals do not give rise to any conflict of interest.

Mr. Flynn: To ask the Secretary of State for Social Security in what proportion of appeals to social security, disability and child support appeal tribunals an oral hearing is requested. [10220]

Mr. Bradley: On 9 July 1997, we introduced the Social Security Bill which will modernise the delivery of Social Security. This Bill contains measures to provide a simpler and more efficient appeal system.

The information is set out in the table.

Appellants requesting an oral hearing
21 October 1996–30 June 1997

	Per cent.
Social security appeal tribunals	38
Disability appeal tribunals	68
Child support appeals	35

All figures are estimates.

Lone Parents

Mr. Lilley: To ask the Secretary of State for Social Security whether the parent-plus pilot schemes to help lone parents obtain work have been cancelled. [10306]

Mr. Keith Bradley: The Government launched their new deal for lone parents on 21 July. This will provide help with moving into work, for initially up to 40,000 lone parents in England, Scotland and Wales. From October 1998, help will be offered to half a million lone parents whose youngest child is over five.

The Budget included £200 million over the life of this Parliament to fund the new deal for lone parents and improvements in help with child care costs. We will not therefore be proceeding with parent-plus.

Pensions

Mr. Flynn: To ask the Secretary of State for Social Security what will be the annual value of the basic pension for a single person in each year from 1997–98 to 2039–40, at 1997 prices, if it is uprated in line with average earnings, assuming that earnings rise in real terms by 2 or 1.5 per cent. per annum. [10114]

Mr. Denham: The information is in the table.

Annual value of standard rate category A retirement pension, at 1997–98 prices

Year	*Real earnings growth of 1.5 per cent. per annum (£)*	*Real earnings growth of 2.0 per cent. per annum (£)*
1997–98	[1]3,247.40	[1]3,247.4
1998–99	3,296.10	3,312.35
1999–00	3,345.55	3,378.60
2000–01	3,395.75	3,446.15
2001–02	3,446.70	3,515.05
2002–03	3,498.40	3,585.35
2003–04	3,550.90	3,657.05
2004–05	3,604.15	3,730.20
2005–06	3,658.20	3,804.80
2006–07	3,713.05	3,880.90
2007–08	3,768.75	3,958.50
2008–09	3,825.30	4,037.65
2009–10	3,882.70	4,118.40
2010–11	3,940.95	4,200.75
2011–12	4,000.05	4,284.75
2012–13	4,060.05	4,370.45
2013–14	4,120.95	4,457.85
2014–15	4,182.75	4,547.00
2015–16	4,245.50	4,637.95
2016–17	4,309.20	4,730.70
2017–18	4,373.85	4,825.30
2018–19	4,439.45	4,921.80
2019–20	4,506.05	5,020.25
2020–21	4,573.65	5,120.65
2021–22	4,642.25	5,223.05
2022–23	4,711.90	5,327.50
2023–24	4,782.60	5,434.05
2024–25	4,854.35	5,542.75
2025–26	4,927.15	5,653.60
2026–27	5,001.05	5,766.65
2027–28	5,076.05	5,882.00
2028–29	5,152.20	5,999.65
2029–30	5,229.50	6,119.65
2030–31	5,307.95	6,242.05
2031–32	5,387.55	6,366.90
2032–33	5,468.35	6,494.25
2033–34	5,550.40	6,624.15
2034–35	5,633.65	6,756.65
2035–36	5,718.15	6,891.80
2036–37	5,803.90	7,029.65
2037–38	5,890.95	7,170.25
2038–39	5,979.30	7,313.65
2039–40	6,069.00	7,459.9

[1] Actual.

1. The convention of rounding the standard weekly rate of Retirement Pension (RP) to the nearest 5p at each uprating has been applied.

2. The figures in columns 2 and 3 represent the appropriate weekly rate multiplied by 52.

3. The figures for 1997–98 are based upon the actual RP standard rate.

4. From April 1998–99 onwards the standard RP rate has been uprated in line with the assumptions requested.

Benefits Agency (Wales)

Mr. Ruane: To ask the Secretary of State for Social Security if she will make a statement on the current status of the document, "Benefits Agency (Wales), Blueprint for the Future." [10939]

Mr. Keith Bradley: The Government have new priorities for improving the delivery of social security, and we shall not be proceeding with the separate Welsh strategy set out in the blueprint for Wales.

We are determined to overhaul the service that we have inherited, to develop a modern integrated system that is simpler, streamlined and more efficient, and that strikes the right balance between people's rights and responsibilities.

We shall be looking at service provision to ensure that an equitable service is provided for all. This may be best achieved through a flexible approach, involving partnerships with other service providers, perhaps using other facilities on a casual basis or by using officers to visit customers in their homes or elsewhere. This is part of the Government's approach to getting public service agencies to work more effectively together. Concentrating staff in this way can improve the accuracy of work and can also bring efficiency gains. We are, however, clear that our strategy will continue to require a network of offices in which staff can speak to an advisor, as well as locations where customers can get access to information through direct-access kiosks.

The Government have promised to live within the budget set by the previous Administration and I have told staff to look for ways of improving efficiency and improving customer service.

Incapacity Benefit

Mr. Steinberg: To ask the Secretary of State for Social Security how many people who have been denied incapacity benefit due to their inability to fulfil the all work test have also been denied jobseeker's allowance because they cannot fulfil the requirements of the jobseeker's agreement *(a)* in the Durham area and *(b)* in England. [7656]

Mr. Keith Bradley: We are committed to a review of the objective of reducing poverty and welfare dependency and to promote work incentives. We want to develop a system that supports work, savings and honesty. One of our first steps is to focus on helping people off welfare and into work. Support for sick and disabled people will form part of the review. The administration of incapacity benefit and jobseeker's allowance is a matter for Peter Mathison, chief executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Gerry Steinberg, dated 23 July 1997:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking how many people who have been denied Incapacity Benefit (IB) due to their inability to fulfil the all work test (AWT) have also been denied Jobseeker's Allowance (JSA) because they cannot fulfil the requirements of the jobseeker's agreement (a) in the Durham area and (b) in England.

The information is not available in the format requested as statistics are collated by Benefits Agency (BA) District. The number of customers who failed the IB AWT during 1996/97 in the BA Districts of North and South Durham, which include the offices at Bishop Auckland, Chester-Le-Street, Darlington, Durham, Peterlee, Seaham and Stanley, was 4,000. The total number of customers who failed the IB AWT in England in 1996/97 was 140,000. These figures exclude a small number of clerical cases or disallowances where customers did not return IB questionnaires or attend examinations.

Information relating to the number of people who have been denied JSA because they could not fulfil the requirements of the jobseeker's agreement is not available and could only be provided at disproportionate cost. You may be interested to know that this information, from May 1997 onwards, will be available towards the end of the year in the JSA Quarterly Statistical Extract.

I hope you find this reply helpful.

Unemployment Forecasts

Mr. Prior: To ask the Secretary of State for Social Security for what reasons the *(a)* unemployment and *(b)* total cost of cyclical social security is forecast to 2002; and what reasons this date is different from the date to which unemployment is forecast. [6837]

Mr. Darling: I have been asked to reply.

There is no published forecast of unemployment, in line with conventions adopted by previous Governments. For the purposes of prudent planning of public finances, expenditure plans assume that unemployment remains at present levels, in line with long-established convention used before the 1996 Budget, and approved by the National Audit Office.

Latest forecasts of cyclical social security for the period 1997–98 to 1998–99 are set out in table 4.6 of the "Financial Statement and Budget Report" 2 July 1997. They are based on the assumption that UK unemployment will be flat at its recent level of 1.65 million—para 4.28. In the absence of spending commitments for future years, three variants for medium-term projections of total general Government expenditure were published in table 4.7, although cyclical social security was not shown explicitly.

The November 1996 FSBR gave projections to 1999–2000 based on the economic assumptions of the public expenditure survey—given on page 117. Projections for 2000—01 and 2001–02, the two years beyond the survey period, were based on illustrative unemployment assumptions.

EDUCATION AND EMPLOYMENT

Sixth Forms

18. **Mr. John M. Taylor:** To ask the Secretary of State for Education and Employment if he will list the criteria used by his Department in determining whether a secondary school not currently having a sixth form can successfully apply for one. [8614]

Dr. Howells: All proposals for changes to schools will be considered on their individual merits, taking account of all relevant considerations, including the effect on other schools and colleges in the area. In the case of proposals to add sixth forms, we will have particular regard to whether there is a need for additional provision in the area, whether the provision will be delivered at reasonable cost, and whether the proposed curriculum would be appropriate for the needs of students and parents and would be likely to improve the staying-on rate in the area.

25. **Mrs. Virginia Bottomley:** To ask the Secretary of State for Education and Employment if he will make a statement on changes to funding arrangements for sixth form colleges; and if he will introduce a standard unit of resource for 16 to 18-year-olds. [8622]

Dr. Howells: The funding of sixth form colleges is a matter for the Further Education Funding Council. We currently have no plans to introduce a standard unit of resource for all 16 to 18-year-olds.

Welfare to Work

23. **Ms Atherton:** To ask the Secretary of State for Education and Employment what steps he will take to ensure the quality of the provisions under the Government's welfare-to-work plans. [8620]

Mr. Andrew Smith: We intend, throughout the design and implementation of our welfare-to-work provision, to define clear standards of quality designed to meet the needs of our clients. We will set in place mechanisms to ensure that the Employment Service and its partners share and deliver those standards rigorously and consistently.

30. **Mr. Rowlands:** To ask the Secretary of State for Education and Employment if he will make a statement on the training requirements expected of employers who participate in the welfare-to-work programme. [8627]

Mr. Alan Howarth: Under our new deal for young people, we will expect employers to provide, or release participants for, one day's training or its equivalent each week, leading towards an accredited qualification. We are making £750 available per person, on top of all other costs, for this purpose.

We will be working in partnership with employers, training and enterprise councils and other key organisations to ensure that the training is of high quality.

Evesham College

24. **Mr. Luff:** To ask the Secretary of State for Education and Employment if he will visit Evesham college to discuss its funding; and if he will make a statement. [8621]

Dr. Howells: My right hon. Friend has no plans to visit the college. It is for the Further Education Funding Council for England to allocate funds to individual colleges.

Local Education Authorities

26. **Mr. Swayne:** To ask the Secretary of state for Education and Employment if he will make a statement on the application of the principle of zero tolerance to local education authorities. [8623]

Mr. Byers: As the "Excellence in Schools" White Paper explains, LEAs must demonstrate to their own schools, to parents and the local electorate and to the Department that they are doing a good job in improving their schools. The Government expect all LEAs to play their part in driving up standards.

Where it appears that an LEA is failing, the Secretary of State may direct the Office for Standards in Education to undertake an immediate inspection. If that inspection confirms the failings, it may be necessary for the Secretary of State to intervene, either by directing LEA officers or by enabling others to perform some functions until the LEA has demonstrated its capacity to resume its full responsibilities.

Youth Employment

27. **Dr. Starkey:** To ask the Secretary of State for Education and Employment what representations he has had from small business representatives about his proposals to provide employment for young people. [8624]

Mr. Andrew Smith: I refer my hon. Friend to the reply I gave earlier to my hon. Friend the Member for North-west Leicestershire (Mr. Taylor).

35. **Caroline Flint:** To ask the Secretary of State for Education and Employment what role further and higher education colleges will play in delivering his proposals for providing employment for young people. [8633]

Dr. Howells: Further and higher education have a vital role to play in delivering the skilled work force we will need in the next century. We have a wide range of proposals for improving young people's participation in high quality education and training, including the new deal and Target 2000. Our new deal for young unemployed people will start across the whole country next April. Under the new deal people who do not have basic qualifications will have the opportunity to undertake full-time education or training. Participants on this option may undertake courses lasting up to 12 months, which will give them time to gain an accredited and useful qualification.

36. **Ms Ryan:** To ask the Secretary of State for Education and Employment what consultation he is undertaking on his proposals for providing employment for young people. [8634]

Mr. Smith: There will be three national design workshops, two in London on 24 and 30 July and one in Birmingham on 28 July. There will also be 24 regional consultation meetings and these will be followed by extensive local consultation on partnerships to deliver the new deal.

Work Permits

28. **Mr. Vaz:** To ask the Secretary of State for Education and Employment what proposals he has to reform the work permit system. [8625]

Mr. Alan Howarth: There are no proposals at present to reform the arrangements for considering work permit applications. Criteria for approval of work permits are kept under review in the light of developments in the labour market. Of course, I should be interested in any observations my hon. Friend may wish to offer to improve existing arrangements.

University for Industry

29. **Mr. Canavan:** To ask the Secretary of State for Education and Employment what recent discussions he has had about proposals for a university for industry. [8626]

Dr. Howells: I refer my hon. Friend to the reply I gave earlier to my hon. Friend the Member for Doncaster, Central (Ms Winterton).

Higher Education (Low-income Families)

Dr. Lynda Clark: To ask the Secretary of State for Education and Employment what plans he has to assist people from low-income families into and through higher education. [8628]

Dr. Howells: The Government's preferred approach to future funding arrangements for higher education includes continuing access to free tuition for students from lower-income families, no parental contributions from lower-income families and repayment of future maintenance loans on a basis related to income after graduation. But, as the report of the National Committee of Inquiry into Higher Education makes clear, the main factor determining access to higher education is the level of educational attainment up to age 18. the policies which my right hon. Friend has set out in the schools White Paper are designed to increase educational attainment in school and thereby encourage wider access to higher education.

Schools (Parental Choice)

32. **Mrs. Ann Winterton:** To ask the Secretary of State for Education and Employment what is his policy on parental choice in schools. [8629]

Mr. Byers: We want as many parents as possible to be able to send their children to their preferred school. But we recognise that where one school is more popular than another some parents will be disappointed. The White Paper "Excellence in Schools" explains that schools will work in partnership with each other and with the local education authority to develop helpful and timely information for parents and common timetables for applications.

Investors in People

33. **Mr. Pond:** To ask the Secretary of State for Education and Employment how many small businesses have been recognised as investors in people. [8630]

Dr. Howells: On 1 June, 2,849 in the UK organisations with fewer than 50 employees were recognised as investors in people.

Rural Schools

34. **Mr. Jack:** To ask the Secretary of State for Education and Employment if he will make a statement on his Department's policy in respect of the current network of rural schools. [8632]

Mr. Byers: Our policies are designed to raise standards in all schools, wherever they are situated, and we are currently consulting about the best means to do this. All proposals for changes to rural schools that come to the Department for decision will be considered on their individual merits, taking into account all the consequences of the proposals. We recognised the important role played by rural schools and will want to adopt policies which reflect this.

Training and Enterprise Councils

Ms Kelly: To ask the Secretary of State for Education and Employment what assessment he has made of the *(a)* benefits and *(b)* costs of merging TECs and chambers of commerce. [9683]

Dr. Howells: In June 1995, this Department commissioned Pieda plc to evaluate the impact of mergers between training and enterprise councils and chambers of commerce. Pieda reported its findings to the Department earlier this year. It concluded that the merged organisations the study looked at

"appear to be well on the way to creating a much stronger and more influential business led organisation in the areas concerned."

The study did not identify any major disbenefits of merger.

The report will be published on 11 August and a copy put in the House of Commons Library.

Ex-offenders

Mr. Beith: To ask the Secretary of State for Education and Employment what proposals he has for agreeing a protocol on the employment of ex-offenders with the main employer organisations and the trade unions. [10256]

Mr. Andrew Smith: Employers are encouraged to consider all applicants on their merits, including ex-offenders; those released from prison have early access to appropriate DfEE programmes. We have no proposals for a protocol with employers organisations and trade unions; nor have we received any.

Veterinary Science Students

Mr. Beggs: To ask the Secretary of State for Education and Employment if he will review the need of veterinary science students for supplementary maintenance grant in respect of additional weeks spent on work experience as part of their training during the summer vacation period; and if he will make a statement. [9774]

Dr. Howells: The National Committee of Inquiry into Higher Education has been considering possible future arrangements for student support—including supplementary maintenance grants—and is due to report shortly. The Government will set out their proposals in the light of the committee's recommendations.

Further Education Colleges

Mr. John Cryer: To ask the Secretary of State for Education and Employment (1) what has been the average yearly pay rise for principals of further education colleges in Greater London since 1993; [9167]

(2) what has been the average yearly pay rise for lecturers in further education since 1993 in Greater London. [9168]

Dr. Howells: This information is not held centrally. As from incorporation on 1 April 1993, further education corporations assumed responsibility for their own finance and organisation, including the appointment, dismissal, redundancy and conditions of service generally of their staff.

School Standards

Mr. Lepper: To ask the Secretary of State for Education and Employment if he will list his main proposals for raising standards in schools. [8631]

Mr. Byers: The White Paper "Excellence in schools", published on Monday 7 July, sets out in detail the Government's proposals for raising standards in schools and summarises what we aim to achieve over the lifetime of this Parliament. Copies have been sent to all Members of Parliament and are also available in the Library.

Mr. MacShane: To ask the Secretary of State for Education and Employment what role local education authorities will have in supporting schools to raise standards. [8612]

Mr. Byers: I refer my hon. Friend to the reply my right hon. Friend gave earlier to my hon. Friends the Members for Sheffield, Hillsborough (Helen Jackson) and for Wyre Forest (Mr. Lock).

General Teaching Council

Mr. Davidson: To ask the Secretary of State for Education and Employment when he will be consulting on the establishment of a general teaching council. [11047]

Mr. Byers: A consultation document has been published today, setting out options for the role and composition of a general teaching council. We envisage the council having a key role to play in promoting high

standards of teaching, and in raising the status and morale of the teaching profession. We are seeking views by October from teachers and a wide range of other interested parties. A copy of the consultation document has been placed in the Library.

Education (Fees and Awards) Regulations 1994

Mr. Davidson: To ask the Secretary of State for Education and Employment what plans he has to revise the Education (Fees and Awards) Regulations 1994. [11048]

Dr. Howells: Revised Education (Fees and Awards) Regulations will be laid before Parliament to add a requirement of being settled in the United Kingdom under the immigration laws to the existing conditions of residence in Great Britain, the United Kingdom and islands, the United Kingdom, England and Wales and England for the purpose of student fee classifications by institutions and the rules of candidate eligibility for certain awards and studentship which may be adopted by education authorities and other specified bodies. These changes and others are described fully in a policy briefing sheet issued today by the Department for Education and Employment, a copy of which has been placed in the Library.

Civil Servants

Mr. Vaz: To ask the Secretary of State for Education and Employment how many civil servants there are on each pay band in his Department. [8963]

Dr. Howells: The number of civil servants by grade level in the Department of Education and Employment at 1 June 1997 was:

	Number
Administration Assistant	546
Administration Officer	1,119
Executive Officer	1,074
Higher Executive Officer	937
Senior Executive Officer	374
Grade 7	424
Grade 6	41
Senior Civil Service	106

Special Educational Needs

Mr. Gunnell: To ask the Secretary of State for Education and Employment (1) what proposals he has to reduce the running costs of the special educational needs tribunal; [10019]

(2) what plans he has to introduce changes to the special educational needs appeals process; [10020]

(3) if he will reduce the number of appeals administered by the special educational needs tribunal. [10021]

Ms Estelle Morris: We will consult widely on the special educational needs appeals process, as part of an extensive consultation on SEN, through a Green Paper to be published in September. As part of that, we shall be looking to improve arrangements for conciliation between parents and local education authorities, so that fewer appeals need to come to the tribunal. That should in due course reduce pressure on tribunal running costs.

Mr. Gunnell: To ask the Secretary of State for Education and Employment (1) if he will estimate the average cost of a special educational needs tribunal hearing, including indirect costs borne by his Department; and if he will estimate the average cost of processing an appeal sent to the special educational needs tribunal; [10017]

(2) if he will estimate the average cost of processing parental appeals concerning special educational needs statements for *(a)* local education authorities in 1993–94 and *(b)* the special educational needs tribunal in 1994–95. [10018]

Ms Morris: The budget for the tribunal is held by the DfEE, but the Department has no involvement in special educational needs tribunal hearings. For the 1995–96 financial year, the SEN tribunal president has estimated that the average cost to the tribunal of a hearing is about £820 and the average cost of processing an appeal, including hearing costs, is about £730. The discrepancy is due mainly to something approaching 50 per cent. of appeals being withdrawn before reaching a hearing. It is not possible to offer meaningful averages for the cost of processing appeals in the 1994–95 financial year.

The Department has no information about the cost to LEAs of SEN appeals processed by local education authorities in 1993–94.

Mr. Gunnell: To ask the Secretary of State for Education and Employment (1) how many appeals to the special educational needs tribunal were heard during the latest year for which figures are available; and in how many of these appeals there were parents or other witnesses representing the child for whom the appeal was being held; [10024]

(2) in respect of how many cases of appeals to the special educational needs tribunal the wishes of the parents were upheld; and in how many of these cases witnesses were present for the appellant. [10025]

Ms Morris: Between September 1995 and August 1996, the special educational needs tribunal conducted 903 hearings, 111 of which were preliminary hearings at which parties to the appeal were not normally present. Parents were present at the remaining 792 hearings. In the same period, parents' appeals were upheld, either in full or in part, in 620 cases. The tribunal does not collect data on the number of witnesses who attend hearings.

Mr. Gunnell: To ask the Secretary of State for Education and Employment how many appeals to the special educational needs tribunal *(a)* followed a rejected appeal to the local education authority responsible for the education of the child concerned and *(b)* took the place of an appeal to the relevant local authority in the last year for which data are available. [10022]

Ms Morris: The special educational needs tribunal came into existence on 1 September 1994 when it replaced local education authorities as the body responsible for hearing SEN appeals. Appeals after that date came direct to the tribunal. We have no information about whether any appeals heard by the tribunal had been conducted by LEAs prior to that date.

Mr. Gunnell: To ask the Secretary of State for Education and Employment what were the total expenses paid for the latest year for which figures are available for hearings of the special educational needs tribunal *(a)* for

members of the appeals panel and *(b)* for parents and other witnesses of those children whose appeals are being held. [10023]

Ms Morris: Members of the tribunal were paid £425,000 in the 1995–96 financial year to cover fees and expenses. In the same period, parents were paid £3,000 and parents' witness, £13,000.

Social Work Courses

Mr. Hinchliffe: To ask the Secretary of State for Education and Employment what assessment he has made of the impact of recent changes to the Education (Mandatory Awards) Regulations for vocational courses involving work experience and a work placement on the take-up rate for places on two-year certificate of qualification in social work courses; and if he will make a statement. [10153]

Dr. Howells: Further to the previous reply I gave to the hon. Member on 24 June 1997, *Official Report*, column *446*, only sandwich courses leading to the DipHE (social work) will be affected by the recent changes to the provisions for sandwich courses in the regulations, DipHE (social work) courses are offered by 54 institutions in the United Kingdom, with about 6,000 students in attendance. Not all these students will hold mandatory awards. On the evidence provided so far to the Department by the Central Council for the Education and Training of Social Workers, no course has yet been discovered that has clearly been affected by the new provisions.

CHURCH COMMISSIONERS

Unmarked Graves

Mr. Ottaway: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what steps are taken, when burial grounds are sold to private developers, to ensure that the location of unmarked graves is not lost. [9858]

Mr. Bell: Under the Parochial Registers and Records Measure 1978 parishes are required to maintain a burials register—including that of unmarked graves—for each Church of England burial ground in the parish. Such records as exist regarding the location of unmarked graves would be preserved even in the event of a disposal of the burial ground concerned. Where the Commissioners make a scheme under section 30 of the Pastoral Measure 1983 enabling the secular development of a surplus burial ground it is the responsibility thereafter of the new owner—initially usually the Diocesian Board of Finance—to ensure that the provisions of section 65 and schedule 6 to the Measure regarding the disposal or otherwise of human remains are complied with.

The Secretary of State for the Home Department is also involved in this procedure whereby the removal of any remains and their new point of burial have to be recorded by the owner in a certificate in a prescribed manner and deposited at the General Register Office. Where a burial ground is being disposed of with a redundant church similar provisions apply.

Written Answers to Questions

Friday 25 July 1997

INTERNATIONAL DEVELOPMENT

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for International Development how many and what percentage of employees, in each pay band, in the quangos for which her Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9575]

Clare Short: The information available includes staff of Afro-Caribbean origin with those of African origin. With that qualification, the information is as follows:

Pay band minimum	*Asian*	*Percentage*	*African and Afro-Caribbean*	*Percentage*
£50,000	0	0.0	0	0.0
£42,500	0	0.0	1	3.4
£30,000	3	6.0	2	4.0
£23,000	2	6.9	2	6.9
£19,250	2	11.8	0	0.0
£16,500	4	16.0	4	16.0
£12,500	1	2.4	5	11.9
£10,000	0	0.0	6	25.0

Mr. Vaz: To ask the Secretary of State for International Development how many and what percentage of civil servants in each of grades 1 to 5 in her Department are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [9568]

Clare Short: Staff of Asian and Afro-Caribbean origin are not currently represented in posts formerly classified as grades 1 to 4. In posts formerly classified as grade 5, the Department employs one member of staff of Asian origin, representing 2.3 per cent. of such posts, and one member of staff of Afro-Caribbean origin, 2.3 per cent. We aim to do better.

World Poverty

Mr. Colvin: To ask the Secretary of State for International Development if she will list the Government Departments with which she is co-operating directly with respect to the provision of overseas aid and the eradication of world poverty; and if she will make a statement. [10135]

Clare Short: Consistency in Government policy on issues affecting poorer countries is a key element in the remit of the new Department for International Development in the elimination of global poverty and promotion of sustainable development. My Department therefore co-operates as appropriate with other Departments, in particular with the Foreign and Commonwealth Office; HM Treasury; the Department of Trade and Industry; the Department of the Environment, Transport and the Regions; the Ministry of Agriculture, Fisheries and Food; the Department of Health; the Department for Education and Employment; and the Ministry of Defence.

Aid (Economic Reform)

Mr. Colvin: To ask the Secretary of State for International Development what criteria her Department uses to determine whether a satisfactory degree of economic reform has been implemented for the purposes of receiving overseas aid; and if she will make a statement. [10137]

Clare Short: We look to work in countries that wish to implement sound macro-economic policies aimed at laying or preserving the foundations for sustainable economic growth based on prudent budgeting, effective and transparent fiscal disciplines and efficient markets. At the same time, we look for a demonstrable commitment to eliminate poverty by expanding opportunities for sustainable livelihoods and human development through increased access to basic education, basic health and clean water for all.

Aid and Trade (Review)

Mr. Colvin: To ask the Secretary of State for International Development when the review of aid-and-trade provision will be completed; and if she will make a statement. [10138]

Clare Short: The review of the aid-and-trade provision will be done in the autumn. It would be inappropriate to pre-empt any findings of the review by making a statement at this stage.

Know-how Fund

Mr. Colvin: To ask the Secretary of State for International Development if she will make a statement on the future of the know-how fund. [10139]

Clare Short: The know-how fund provides flexible technical assistance to central and eastern Europe and central Asia adjusting to the transition to democracy on an efficient economy. I am reviewing its activities as part of the process leading up to the publication in the autumn of a White Paper on international development to adjust to progress achieved and the need to address growing inequality and poverty in transition countries.

Civil Servants

Mr. Vaz: To ask the Secretary of State for International Development how many civil servants there are in total on each pay band in her Department. [9576]

Clare Short: The Department has yet to adopt a system of pay bands and, for the time being, designations applied hitherto remain in use. On this basis, the numbers are:

	Number
Senior civil service posts	43.5
Grade 6	51.0
Grade 7	93.5
Senior executive officer and equivalents	49.5
Higher executive officer and equivalents	145.0
Administration trainee/HEO(D)	12.0
Assistant economist	10.0
Assistant statistician	3.0
Executive officer and equivalents	174.5
Administrative officer and equivalents	322.0
Administrative assistant and equivalents	124.0

Aid Target Date

Mr. Luff: To ask the Secretary of State for International Development for what reasons it is not her policy to set a target date for reaching the UN target of 0.7 per cent. of gross domestic product for official development assistance; and if she will make a statement. [9195]

Clare Short: As I have repeatedly made clear, we are committed to reversing the decline in the proportion of our GNP spent on development assistance, which was 0.52 per cent. and rising in 1979, is now 0.27 per cent. and almost halved under the previous Administration. My policy is to reverse the decline in our spend rather than make false promises and continuing cuts, as did the previous Government.

HOME DEPARTMENT

Data Protection

Mr. Cohen: To ask the Secretary of State for the Home Department what proposals he has to introduce measures relating to data protection. [10430]

Mr. George Howarth: Later this Session, we shall be bringing forward a data protection Bill to give effect to the European Community data protection directive. We hope shortly to publish a paper setting out the Government's proposals.

Prison Service

Mr. Hope: To ask the Secretary of State for the Home Department if he will make a statement on the Prison Service audit report. [11171]

Mr. Straw: Our manifesto said that the Prison Service faced serious financial problems and that we would audit the resources available.

Therefore, shortly after taking office, I asked the Director General of the Prison Service to carry out an audit of the resources available to the Prison Service, and current and projected demands on it.

The audit has now been completed and I am today placing a report of its findings in the Library.

The main findings are:

the prison population rose by 17,000 or nearly 40 per cent. in the four years up to this June to reach 60,580. It is expected to rise to at least 68,900 by March 2000. In the three months since the election, it has risen by 2,440, far exceeding any projection published before 1 May. This three-month rise is equivalent to the total capacity of four average-sized prisons:

resources have not kept pace with this rise in numbers. The building programme approved by the previous Government is already being outstripped by the rise in population, which on latest assumptions will exceed maximum capacity later this year, and will do so again by a larger margin by early 1999:

the number of prisoners "doubled"—held two to a cell designed for one—has already increased from 7,251 in 1992 to 10,926 at the end of June and, on current plans, would have to increase to around 16,000 by early 1999;

meanwhile, the level of purposeful activity for prisoners has dropped over the last two years, so limiting scope for reducing the risk of prisoners re-offending on release;

there is growing risk of prisons having to close because heating, electrical and water systems, roofs and other infrastructure have not been adequately maintained.

I pay tribute to the dedication and professionalism of the Prison Service in coping with these intense pressures.

I announced yesterday in an answer to my hon. Friend the Member for Luton, North (Mr. Hopkins), *Official Report*, column *682*, that the Prison Service will be able to spend up to an extra £43 million during this year and next to accommodate the projected numbers safely.

Full Sutton Prison

Dr. Lynne Jones: To ask the Secretary of State for the Home Department if he will instigate an inquiry into damage that occurred to the personal property of prisoners in the aftermath of the disturbances on 20 January at Full Sutton prison with particular reference to damage to *(a)* personal stereos, *(b)* clothing and *(c)* books. [9981]

Ms Quin: No. Claims for compensation for prisoners' property damaged during the January disturbance at Full Sutton prison are being dealt with through the normal Prison Service request and complaint procedures. Although the Prison Service does not accept liability for loss of personal property held by prisoners in their cells, it has been agreed in this instance to make ex-gratia payments to prisoners who were innocent victims of the disturbance. Those prisoners who are judged to have been involved in the disturbance will not be liable for compensation.

Prisoners who are not satisfied with the outcome of these procedures may appeal to Prison Service headquarters and, if still not satisfied, to the independent prison ombudsman. In addition, all prisoners retain the normal right of any citizen to seek to recover legitimate losses through the courts.

Prisoners

Mr. Beith: To ask the Secretary of State for the Home Department what has been the prison population of *(a)* males and *(b)* females, in each of the past five years; and what is the forecast population for both groups for each of the next three years. [10174]

Ms Quin: Information on the average population for 1992–96 is contained in table A. Long-term projections of the prison population in England and Wales are produced annually and were last published in the Home Office statistical bulletin 7/97 on 3 April 1997. The projected average population figures for 1997 to 2000, including a higher and lower variant, are as set out in the attached table B. On 18 July 1997, the prison population stood at 62,300 which is 1,700 higher than the central projection for mid-July.

Table A: Average population in prison in England and Wales 1992–1996

Year	*Males*	*Females*	*Total*
1992	44,240	1,577	45,817
1993	43,005	1,561	44,566
1994	46,983	1,811	48,794
1995	49,068	1,979	51,047
1996	53,019	2,262	55,281

Table B: Projected average populations for 1997–2000

Year	England and Wales average population—central projection			Percentage increase on previous year	Total population projection	
	Males	Females	Total[1]		Lower variant	Upper variant
1997	57,800	2,600	60,500	5.5	58,800	62,200
1998	61,000	2,800	63,800	5.5	61,900	65,700
1999	62,500	2,900	65,500	2.7	63,500	67,500
2000	63,800	3,000	66,800	2.0	64,600	69,000

[1] Figures may not add up due to rounding.

Mandatory Minimum Sentences

Mr. Beith: To ask the Secretary of State for the Home Department, pursuant to his oral answer of 9 June, *Official Report*, columns 775–76, what assumptions he made in respect of *(a)* the deterrent effects of the mandatory sentences and *(b)* the likely effect on the length of other sentences when forming his estimates as to the likely increase in the prison population as a result of the implementation of each of the mandatory minimum sentencing provisions of the Crime (Sentences) Act 1997. [10258]

Mr. Michael: The estimates assume that the deterrent effect on those who are liable to mandatory minimum sentences—that is, offenders who have one qualifying conviction for serious violent or sex offences, or two qualifying convictions for trafficking in class A drugs or domestic burglary—will reduce the requirement for prison places by 20 per cent. The estimates also include an allowance of 1,000 prison places for indirect effects of the provisions on sentence levels, if all are implemented.

Release of Information (Criminal Prosecutions)

Mr. Baker: To ask the Secretary of State for the Home Department what estimate he has made of the number of criminal prosecutions undertaken in 1996 in respect of the unauthorised release of information, citing the Acts of Parliament involved. [10616]

Mr. Michael: In 1995, there were no prosecutions under the Official Secrets Act 1989. Information for 1996 will be available in the autumn.

Information on the numerous other statutory provisions covering the disclosure of specific kinds of information is not available centrally.

Metropolitan Police Files

Mr. Baker: To ask the Secretary of State for the Home Department what percentage of files held by the Metropolitan police are kept *(a)* on computer files exclusively, *(b)* on paper files exclusively and *(c)* in both forms. [10614]

Mr. Michael: I am informed that the information requested is not readily available and could be obtained only at disproportionate cost. However, the commissioner has provided me with the following information. All centrally registered files which deal with administrative and operational matters, and case papers, are exclusively in paper form. Certain branches including the aliens registration office and the lost property office have their own central registry and all their files are in paper form. Major inquiries, crime reporting and criminal records are all held electronically.

Road Crimes

Liz Blackman: To ask the Secretary of State for the Home Department what plans he has to include measures in the Crime and Disorder Bill to address *(a)* dangerous driving, *(b)* speeding, *(c)* careless driving and *(d)* other crimes which take place on the roads. [10564]

Mr. Michael: We have no plans to include specific measures relating to dangerous driving, speeding or careless driving. The Bill will give effect to manifesto commitments relating to young and adult crime and disorder, many of which may relate to crimes which are committed on the roads.

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department (1) pursuant to his answer to the hon. Member for Portsmouth South (Mr. Hancock) of 18 July, *Official Report*, column *344*, if he will list the matters which are considered in the assessment as to whether a particular procedure should be approved under the Animals (Scientific Procedures) Act 1986; [10695]

(2) in the case of procedures carried out for commercial gain, what criteria need to be satisfied before approval is given under the Animals (Scientific Procedures) Act 1986; and if he will make a statement. [10683]

Mr. George Howarth: Applications for all project licences must satisfy the criteria set out in the Animals (Scientific Procedures) Act 1986. Section 5(3) sets out the permissible purposes of the work; section 5(4) requires that the likely adverse effects to the animals concerned be weighed against the benefits likely to accrue; section 5(5) requires applicants to give adequate consideration to alternatives; and section 5(6) prohibits the use of cats, dogs, primates and equidae unless no other species is suitable or it is not practicable to obtain animals of another suitable species.

When the cost-benefit assessment required by section 5(4) is carried out, the importance of the objectives; the probability that these objectives will be achieved; the potential adverse effects to the animals involved; and the measures for reducing these adverse effects must all be taken into account. This assessment of benefit and severity is described in more detail in appendix II of the 1993 report of the Animal Procedures Committee.

I understand that, as part of its review of the operation of the Act, the Animal Procedures Committee is preparing an extended statement on the principles and operation of cost-benefit assessment.

When the benefits are assessed, the potential financial gain which may accrue from the sale of any product is not considered. Broader economic and social benefits, such as

cheaper or more accessible medicines or other products, or reduction in costs to the taxpayer may be taken into consideration. Animal use is often required not by the commercial organisation, but by national and international regulations which protect human safety.

Quangos

Mr. David Heath: To ask the Secretary of State for the Home Department if he will list the quangos within his Department's responsibility which he has to date announced his intention *(a)* to abolish and *(b)* to make subject to a significant element of democratic accountability. [9680]

Mr. Straw: *(a)* In the period from 1 May 1997, no announcement has been made to abolish any Home Office quangos. The opportunity to review these bodies will be taken in line with my right hon. Friend the Prime Minister's reply to my hon. Friend the Member for West Lancashire (Mr. Pickthall), on 18 June, *Official Report*, column *174*.

(b) I refer the hon. Member to the reply my right hon. Friend the Chancellor of the Duchy of Lancaster gave to my hon. Friend the Member for The Wrekin (Mr. Bradley), on 24 July, *Official Report*, column *693*.

SCOTLAND

Scottish Record Office

Mr. Ernie Ross: To ask the Secretary of State for Scotland if he will make a statement about the targets he expects the Scottish Record Office to achieve in 1997–98. [11094]

Mr. McLeish: I have set the Scottish Record Office the following key targets for 1997–98:

- to reduce the unit cost of preserving and making available the Records of Scotland by 4.5 per cent. in real terms;
- to increase the number of catalogue entries available for public scrutiny on the electronic system by 50,000;
- to produce material for readers in 92.5 per cent. of cases in 30 minutes or less for material from the same building and in two days or less for material from elsewhere;
- to issue replies to 85 per cent. of correspondence within 10 days, absorbing up to a 2 per cent. increase in demand; and
- to obtain the necessary additional funding to set up the Scottish archive network project as a business and to begin to put finding aids onto the Internet.

Children's Centres

Mrs. Ewing: To ask the Secretary of State for Scotland (1) how many children's centres there are in Scotland; and if he will list them by area health boards; [10155]

(2) what plans he has to extend provision of children's centres; and what steps he has taken in this respect to date. [10156]

Mr. Dewar: There are centres providing paediatric care in all major centres of population in Scotland, including at the three specialist children's hospitals in Edinburgh—Lothian health board—Aberdeen—Grampian health board—and the Royal hospital for sick children, Yorkhill, Glasgow—Greater Glasgow health board. Each health board is responsible for planning to meet the health care needs for its resident population, including children.

David Elder Infirmary, Govan

Mrs. Ewing: To ask the Secretary of State for Scotland what plans he has for the Greater Glasgow health board site of the former David Elder infirmary in Govan, Glasgow. [10154]

Mr. Dewar: Greater Glasgow health board has concluded that the former David Elder infirmary is no longer required for use by the national health service in Glasgow. Its disposal is a matter for the health board.

PRIME MINISTER

Data Protection

Mr. Baker: To ask the Prime Minister what public access there is under the Data Protection Act 1984 to computer files previously held by the police but now lodged with M15. [10685]

The Prime Minister: Any request under the Data Protection Act 1984 for access to data held by the Security Service would be considered on its merits.

However, the Data Protection Act provides for personal data to be exempt from the subject access provisions of the act if the exemption is required for the purpose of safeguarding national security.

The Act also provides for exemption from the subject access provisions of the Act of personal data held for the purpose of discharging statutory functions where the data consist of information obtained for that purpose from a person who possessed it for the prevention or detection of crime or the apprehension or prosecution of offenders and where access would be likely to prejudice those purposes.

Policy Unit

Mr. Vaz: To ask the Prime Minister how many people are employed in his policy unit. [10607]

The Prime Minister: As at 23 July, there were 12 officials and six support staff.

Ethnic Minorities

Mr. Vaz: To ask the Prime Minister how many and what percentage of special advisers to the Government are *(a)* of Asian origin and *(b)* of Afro-Caribbean origin. [8970]

The Prime Minister: Information on ethnic origin is collected from civil servants on a voluntary basis. Figures for special advisers are not held centrally.

LORD CHANCELLOR'S DEPARTMENT

Public Defender Service

Mr. Mitchell: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will initiate a pilot English Public Defender Service in youth courts to parallel the experiment scheduled in Scotland. [9928]

Mr. Hoon: We have not ruled out the possibility of using employed solicitors, or solicitors under specially-designed contracts, for particular sorts of work if those would be the most suitable arrangements. We are open to the idea of using specialist employed lawyers to represent defendants in disputed cases in the youth courts. We will be watching the progress of the Scottish pilot with interest.

Bar (Code of Conduct)

Sir Nicholas Lyell: To ask the Parliamentary Secretary, Lord Chancellor's Department when he expects matters relating to the amendments to the Code of Conduct of the Bar of England and Wales relating to bankruptcy and attendance at police stations will be submitted to *(a)* him and *(b)* the designated judges. [9625]

Mr. Hoon: The amendments are being considered under section 31 of the Courts and Legal Services Act 1990, at the request of the Bar Council. The amendments are to be submitted to the Lord Chancellor by the end of July and will be sent to the designated judges thereafter.

Barristers and Solicitors

Mr. Mitchell: To ask the Parliamentary Secretary, Lord Chancellor's Department (1) if he will list the 10 *(a)* barristers and *(b)* solicitors who received the highest total payments from public funds in the last available year; [9865]

(2) if he will list those barristers paid over £100,000 out of public funds in the latest available year. [9864]

Mr. Hoon: The information requested is not readily available and could be obtained only at disproportionate cost.

Personal Injury

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department how many personal injury actions have been automatically struck out under County Court Order 17 rule 11 in each of the last three years. [9780]

Mr. Hoon: The question concerns a matter which has been assigned to the Court Service under the terms of its framework document. I have therefore asked the Chief Executive to write to the hon. Member.

Letter from M. D. Huebner to Mr. Andrew Dismore, dated 25 July 1997:

The Parliamentary Secretary of the Lord Chancellor's Department has asked me to reply to your question about the number of personal injury cases struck out in the last three years.

The information requested is not held centrally and could only be provided at disproportionate cost.

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to amend County Court Order 17 rule 11; and if he will make a statement. [9783]

Mr. Hoon: The Lord Chancellor is considering the revised judgment of the Court of Appeal in Bannister *v* SGB plc. and Others issued on 4 July 1997 with a view to deciding whether action should be taken to amend order 17, rule 11 of the county court rules.

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department how many personal injury cases struck out automatically under County Court Order 17 rule 11 have been appealed *(a)* to circuit judges and *(b)* to the Court of Appeal in each of the last three years; and how many appeals were successful in each category. [9782]

Mr. Hoon: The question concerns a matter which has been assigned to the Court Service under the terms of its framework document. I have therefore asked the chief executive to write to the hon. Member.

Letter from M. D. Huebner to Mr. Andrew Dismore, dated 25 July 1997:

The Parliamentary Secretary of the Lord Chancellor's Department has asked me to reply to your question about the number of personal injury cases appealed in the last three years.

The information requested is not held centrally and could only be provided at disproportionate cost.

Legal Database

Mr. Mitchell: To ask the Parliamentary Secretary, Lord Chancellor's Department in how many locations a common database has been introduced between courts, the Crown Prosecution Service and barristers' chambers; what evaluation he has made of the success of these schemes; and what proposals he has to extend these schemes. [9868]

Mr. Hoon: The question concerns a matter which has been assigned to the Court Service under the terms of its framework document. I have therefore asked the chief executive to write to my hon. Friend.

Letter from M. D. Huebner to Mr. Austin Mitchell, dated 25 July 1997:

The Parliamentary Secretary of the Lord Chancellor's Department has asked me to reply to your question about the number of locations at which a common database has been introduced.

A common database has not yet been introduced. However, the CCCJS (a Home Office body responsible for the 'Co-ordination for Computerisation of the Criminal Justice System') is currently deciding whether to proceed with a project that will consider the introduction of a common standard for information across the criminal justice system. This project may also consider establishing a standard database. More immediately, the CCCJS has piloted and evaluated an initiative to link criminal justice agencies in Suffolk and Southampton by e-mail. The scheme has been recommended for replication and the Court Service, in conjunction with the CCCJS and local agencies, has identified other potential sites for this facility. Work is in hand to expand this initiative. Details of court lists are also sent electronically to list distributors, who in turn forward these to subscribers. Subscribers include barristers' chambers, solicitors and the Prison Service.

EDUCATION AND EMPLOYMENT

Training and Enterprise Councils

Mr. Hancock: To ask the Secretary of State for Education and Employment, pursuant to his answer of 10 July, *Official Report*, column *561*, what are the targets for each TEC for special needs training. [10303]

Dr. Howells: The number of contracted starts for which TECs will receive payment, *(a)* for those endorsed as having special training needs on entering youth training,

(b) for those with disabilities on entering training for work, for each TEC are:

TEC	*(a)*	*(b)*
Hampshire	590	481
Heart of England	300	155
Isle of Wight	119	55
Kent	900	656
Milton Keynes	400	131
Surrey	150	187
Sussex	302	507
Thames Valley	905	428
Aztec	150	159
Focus Central London	986	1,748
London East	327	582
North London	385	251
North West London	190	296
Solotec	823	832
West London	100	228
Bedfordshire	365	151
Cambs	78	129
Essex	553	513
Greater Peterborough	209	206
Hertfordshire	157	291
Norfolk and Waveney	275	683
Suffolk	250	200
Devon and Cornwall	784	889
Dorset	310	255
Gloucestershire	297	191
Somerset	283	196
Westec	545	539
Wiltshire	213	172
Birmingham	336	1,372
Central England	240	147
Coventry	194	390
Dudley	200	170
Hereford and Worcester	93	270
Sandwell	271	262
Shropshire	255	128
Staffordshire	203	452
Walsall	100	93
Wovlerhampton	88	111
Greater Notts	200	295
Leicester	350	555
Lincolnshire	500	430
North Derbyshire	247	195
North Notts	350	465
Northants	300	175
South Derbyshire	310	363
Barnsley/Doncaster	720	479
Bradford	565	270
Calderdale/Kirklees	850	352
Humberside	1,263	600
Leeds	554	401
North Yorkshire	900	250
Rotherham CCTE	356	347
Sheffield	602	443
Wakefield	245	200
Cewtec	416	496
Merseyside	1,585	1,347
St. Helens CCTE	255	183
Bolton Bury	135	259
Cumbria	510	255
Eltec	300	290
Lawtec	585	465
Manchester	1,000	710
Metrotec	175	190
North and Mid Cheshire	508	250
Oldham	400	185
Rochdale	250	169
South and East Cheshire	250	142
Stockport and High Peak	158	150
Co. Durham and Darlington	1,158	539
Northumberland	340	310
Sunderland City	325	351
Teesside	1,030	720
Tyneside	880	828

Quangos

Mr. David Heath: To ask the Secretary of State for Education and Employment if he will list the quangos within his Department's responsibility which he has to date announced his intention *(a)* to abolish and *(b)* to make subject to a significant element of democratic accountability. [9679]

Dr. Howells: The Department has not so far announced plans to abolish any of its quangos, or non-departmental public bodies. However, it is currently examining the role and responsibilities of each of our NDPBs as part of the Department's current spending review. In addition, my right hon. Friend the Chancellor of the Duchy of Lancaster announced last month a review of NDPBs with the aim of reducing overall numbers across Whitehall.

The issue of democratic accountability will also be addressed on an across-Whitehall basis with the launch in the autumn of a discussion paper considering how democratic oversight of NDPBs might best be enhanced. In the light of consultation, it is proposed to bring forward proposals in a forthcoming White Paper on better government.

Workskill

Mr. Blizzard: To ask the Secretary of State for Education and Employment what plans he has made to extend workskill pilots for the unemployed; and if he will make a statement. [11172]

Mr. Andrew Smith: Regulations have been approved by Parliament to allow four more workskill pilots to be introduced on 1 September 1997 to run for one year. These pilots will allow people who have been receiving jobseeker's allowance for six months or more to undertake employment-related education and training for up to one year:

full-time, in Scotland in the Glasgow and Dumbarton districts and in the north-west region in Lancashire and Cumbria districts; and

part-time, in London and south-east region in south and south-east London districts and in the south-west region in Wiltshire, Avon and Somerset districts.

About 12,000 unemployed people will be able to benefit from the flexible arrangements to take up education or training: provision for 8,000 in these new pilots in addition to 4,000 in the pilots introduced in four areas last April.

The extension of workskill pilots supports our plans in the new deal where we are acting urgently to improve the employability and labour market prospects of the unemployed. The workskill pilots will help us to assess whether and how flexible arrangements in jobseeker's allowance help unemployed people to get and retain work, both in the short and long term.

We will further review the jobseeker's allowance rules on education and training in the light of the workskill pilots and early experience in the new deal.

DUCHY OF LANCASTER

Ministerial Chauffeurs

Mr. Flynn: To ask the Chancellor of the Duchy of Lancaster (1) what is the average weekly pay of chauffeurs employed for driving ministerial cars; [10532]

(2) what are the average numbers of hours per week, including overtime, worked by secure chauffeurs for Government Ministers; [10531]

(3) what proportion of chauffeurs or drivers of ministerial cars *(a)* died in employment and *(b)* retired prematurely on health grounds in each of the last five years. [10533]

Dr. David Clark: Responsibility for the subject of these questions has been delegated to the Government Car and Despatch Agency under its chief executive, Mr. Nick Matheson. I have asked him to arrange for a reply to be given.

Letter from Nick Matheson to Mr. Paul Flynn, dated 24 July 1997:

I have been asked by the Chancellor of the Duchy of Lancaster to reply to your three Parliamentary Questions about chauffeurs and drivers of ministerial cars. I am the Chief Executive of the Government Car and Despatch Agency (GCDA) which is responsible for the Government Car Services (GCS).

I will answer the questions in the same order, but I would like to prefix my reply by saying that information on drivers of ministerial cars cannot readily be separated from the rest of the GCS allocated drivers within the time available for this reply.

1. Information on GCS drivers' rates of pay is commercially sensitive.

2. For 1996–97 GCS drivers worked on average 70.23 hours per week. The basic week is 49 hours, and the average overtime worked was 21.23 hours.

3. For the whole of GCS the information is as follows:

Year	*Total number of drivers*	*Died in service*	*Medically retired*
1997 to date	139	2	1
1996–97	149	nil	2
1995–96	151	1	2
1994–95	154	nil	nil
1993–94	154	nil	1

"Government Direct" Green Paper

Mr. Cohen: To ask the Chancellor of the Duchy of Lancaster what is the Government's policy on "Government Direct"; and if he will make a statement. [10391]

Dr. David Clark: The "Government.Direct" Green Paper contained many good ideas on making the best use of new technology and the new White Paper, "Better Government" will harness these with an agenda which will bring Government closer to the people and provide better services for everybody. We are continuing to consult interested parties who responded to the Green Paper.

Freedom of Information

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster what discussions he has had with the Minister without Portfolio regarding *(a)* the content and *(b)* the timing of publication of the White Paper on freedom of information. [10610]

Dr. David Clark: I have discussed the Government's proposals for a White Paper on freedom of information with many ministerial colleagues including the Minister without Portfolio.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster if he will release the papers available to Ministers at the meeting on Thursday, 10 July where it was decided not to publish the White Paper on freedom of information before the summer Adjournment. [10573]

Dr. Clark: I will ensure that factual and analytical material relevant in forming the White Paper's proposals is made publicly available and I will bear this in mind as we approach the publication of the White Paper.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster if he will list the Acts of Parliament which *(a)* contain provisions restricting the release of information and *(b)* apply criminal sanctions in respect of the unauthorised disclosure of information. [10574]

Dr. Clark: The previous Government's 1993 White Paper, "Open Government"—Cm 2290—listed those statutory provisions which restrict the release of information. Many of these Acts also make provision for criminal sanctions in the case of unauthorised disclosure.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster if proposals to amend the 1977 Croham directive in respect of the release of background detail and information behind ministerial decisions will be included in the forthcoming White Paper on freedom of information. [10611]

Dr. Clark: The Government remain committed to the principles contained in the Croham directive but, 20 years on, they propose to build on them in their forthcoming White Paper on freedom of information.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster if he will list in respect of freedom of information regimes in other countries those countries which operate an appeal mechanism based on *(a)* the courts, *(b)* an independent ombudsman or commissioner and *(c)* a select committee or other parliamentary mechanism. [10609]

Dr. Clark: The table summarises the basic appeals mechanisms used in a number of leading freedom of information regimes.

Country	*Courts*	*Ombudsman/Information Commissioner*[1]	*Select Committee or other parliamentary mechanism*[2]
USA	Yes	No	No
Canada	Yes	Yes	No
Australia	Yes	Ombudsman or the Administrative Appeals Tribunal	No
New Zealand	Yes	Yes	Yes

Country	Courts	Ombudsman/Information Commissioner[1]	Select Committee or other parliamentary mechanism[2]
France	Yes	Yes	No
Sweden	Yes	No	No
Ireland	Yes	Yes	No

[1] Where the appeals mechanism incorporates both an Ombudsman and the courts and/or parliamentary review mechanism the appeal is usually directed to the Ombudsman in the first instance.

[2] Although Parliament may not play a formal role, the Ombudsman may still be an Officer of Parliament.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster if he will list the statutory reforms recommended in the "Open Government" White Paper 1993, Cm 2290, which have been implemented. [10615]

Dr. Clark: The 1993 "Open Government" White Paper— Cm 2290—proposed two new statutory rights: (i) a statutory right for people to see their personal records held by Government and by other public sector authorities, and (ii) a statutory right of access to health and safety information. Neither was implemented.

The White Paper also proposed the selective insertion of "harm tests" into criminal provisions covering unauthorised disclosure of information as legislative opportunities arose. No such amendments were made.

These proposals of the previous Government will be superseded by comprehensive proposals for a Freedom of Information Act in our forthcoming White Paper.

NORTHERN IRELAND

Republic of Ireland

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what steps her Department is taking to persuade the Irish Government to withdraw their territorial claim to Northern Ireland. [7721]

Majorie Mowlam: The Government have consistently made clear their view that a lasting political settlement in Northern Ireland will require a consensus on constitutional issues, reflecting the widespread support which exists for the principle that there can be no change in the constitutional status of Northern Ireland as part of the United Kingdom without the consent of a majority of the people of Northern Ireland.

In a speech in Northern Ireland on 16 May, my right hon. Friend the Prime Minister said that changes to the Irish constitution to reflect the consent principle would be a helpful confidence-building step in advance of any settlement.

Driver and Vehicle Testing Agency

Ms Moran: To ask the Secretary of State for Northern Ireland when the annual report and accounts of the Driver and Vehicle Testing Agency will be made available to the House. [11222]

Majorie Mowlam: Copies of the annual reports and accounts of the Driver and Vehicle Testing Agency have been placed in the Library of the House.

Training and Employment Agency

Ms Moran: To ask the Secretary of State for Northern Ireland what performance targets have been set for the Training and Employment Agency for the financial year 1997–98. [11223]

Mr. Worthington: The following key targets have been set for the agency for 1997–98:

1. to have 75 per cent. of company development programme client companies using NVQ-based training to raise the competence of their work force;

2. to encourage the commitment of Northern Ireland industry and commerce to the investors in people standard through the achievement of 50 new recognitions by March 1998, at least 25 of these to be achieved by companies in manufacturing or tradable services, or hotels registered with the NI Tourist Board;

3. to ensure that of the trainees who commenced mainstream jobskills in 1995–96, at least 45 per cent. achieve NVQ Level 2 or above;

(This target reflects the fact that a number of trainees will leave the programme, before completing their NVQ, in order to take up employment and other opportunities.)

4. to place 40,000 people into jobs and

5. to achieve efficiency savings of at least 6 per cent.

Copies of the agency's "Operational Plan 1997–98" will be placed in the parliamentary Libraries.

Policy Reviews

Mr. Malcolm Bruce: To ask the Secretary of State for Northern Ireland if she will list for each departmental policy review presently in progress or scheduled, *(a)* a description of the purpose of the review and *(b)* its expected date of completion. [10183]

Mr. Paul Murphy *[holding answer 22 July 1997]:* Departments carry out policy reviews on a continuous basis.

Major reviews currently in progress are as follows:

The Training and Employment Agency is reviewing its objectives and measures aimed at assisting the long-term unemployed back to work. Results are expected by the autumn.

The Department of Education (NI) is conducting a policy review of the Youth Service which will make recommendations for its future development. The report is expected by end-December 1998.

The Department of Education (NI) is conducting a review of school discipline to produce a strategy for the promotion and maintenance of good behaviour in schools. This will be published by Christmas 1997.

The Northern Ireland Office is carrying out a review of the Firearms (Northern Ireland) Order 1981 to assess whether it remains relevant, effective and proportionate to the level of public safety demanded by society today and the reasonable expectations of the shooting community and firearms trade. Completion is expected in October 1997.

WALES

Assisted Areas

Mr. Alan Williams: To ask the Secretary of State for Wales, pursuant to his answer of 17 July, *Official Report*, column *251*, what is the population of the designated assisted areas of Wales; and how much of that population is in *(a)* the M4 corridor and *(b)* the A55 corridor.[10147]

Mr. Hain *[holding answer 22 July 1997]:* The total population of the designated assisted areas in Wales is estimated to be 2.1 million, of which 550,000 are estimated to be in the eastern M4 corridor and 180,000 in the eastern A55 corridor.

School Closures

Mr. Öpik: To ask the Secretary of State for Wales how many infant, junior, primary and secondary schools were closed between 1979 and May 1997 in each county of Wales indicating how many closed *(a)* for financial reasons, *(b)* as a result of demographic change and *(c)* for other reasons; and if he will make a statement. [10245]

Mr. Hain *[holding answer 24 July 1977]:* The information requested is not held centrally. Details of the number of primary and secondary schools in each of the former counties of Wales in 1979 and 1996—the latest available data collected in this form—are shown in the following table:

	January 1979	*January 1996*[1]
Maintained primary schools[2]		
Clwyd	266	241
Dyfed	354	310
Gwent	285	211
Gwynedd	200	191
Mid Glamorgan	319	301
Powys	131	105
South Glamorgan	174	157
West Glamorgan	201	165
Wales	1,930	1,681
Maintained secondary schools		
Clwyd	33	32
Dyfed	25	31
Gwent	32	33
Gwynedd	23	23
Mid Glamorgan	41	43
Powys	12	13
South Glamorgan	30	26
West Glamorgan	28	27
Wales	224	228

[1] Includes grant maintained schools.
[2] Primary schools comprise 3 types of school: infants' for children aged 5 to 7, junior for those aged 7 to 11 and combined junior and infants for both age groups. Many primary schools also provide nursery classes for children aged under 5.

Welsh Assembly

Mr. Evans: To ask the Secretary of State for Wales what would be the cost of sending the White Paper to every home in Wales prior to the referendum on a Welsh Assembly. [8463]

Mr. Ron Davies: We do not intend to send the White Paper to every home in Wales, and I have therefore made no such assessment.

Mr. Alan Williams: To ask the Secretary of State for Wales if he will list his meetings with Plaid Cymru and the Liberal Democrats relating to his proposals for a Welsh Assembly. [9883]

Mr. Davies: I have had no meetings with Plaid Cymru or the Liberal Democrat party.

Further Education

Mr. Rowlands: To ask the Secretary of State for Wales how many people aged 16 to 19 years were attending *(a)* colleges of further education and *(b)* sixth-form colleges at each of the colleges in Wales in the last academic year; what percentage left these colleges (i) with one, two or three A levels grade 'C' and above, (ii) with A-levels A to E and (iii) with NVQ levels 2 and 3; and what percentage left the colleges without a recognised qualification. [8917]

Mr. Hain: The data collected centrally relate to students at college entered for examinations and do not permit analyses of students' qualifications as they leave college. Information on the number of people aged 16 to 18 attending further education colleges, including those described as sixth-form colleges, in Wales in December 1995 is given in the following table:

People aged 16 to 18 years at Further Education colleges in Wales at December 1995

College	*Full-time*	*Part-time*
Aberdare college	135	136
Afan college	488	34
Barry college	638	222
Bridgend college	611	391
Carmarthenshire college of Technology and Art	886	401
Coleg Ceredigion	290	146
Coleg Glan Hafren	1,464	276
Coleg Llandrillo	1,112	249
Coleg Llysfasi	124	120
Coleg Meirion-Dwyfor	815	44
Coleg Menai	2,057	2,026
Coleg Powys	673	255
Deeside college	647	305
Gorseinon college	1,223	20
Gwent Tertiary college	3,484	631
Merthyr Tydfil college	302	115
Neath college	1,298	158
Pembrokeshire college	686	139
Pencoed college	162	26
Pontypridd college	1,105	241
St. David's VI Form college	708	0
Swansea college	1,261	249
Welsh college of Horticulture	84	53
Yale college	1,654	264
Ystrad Mynach college	487	108

Source: The college performance information booklet: 1996. Further Education institutions in Wales.

Quangos

Mr. David Heath: To ask the Secretary of State for Wales if he will list the quangos within his Department's responsibility which he has to date announced his intention *(a)* to abolish and *(b)* to make subject to a significant element of democratic accountability. [9682]

Mr. Ron Davies: I have set out my proposals in the White Paper, "A Voice for Wales" published on 22 July, a copy of which is in the Library of the House.

Junior Doctors

Ms Julie Morgan: To ask the Secretary of State for Wales what estimate he has made of the percentage of junior doctors who have working conditions which do not meet the standards laid down in the new deal for junior doctors. [10576]

Mr. Win Griffiths: No estimate is available of the percentage of junior doctors effected, but the most recent survey carried out by the postgraduate school of the accommodation and facilities provided for junior doctors by district general hospitals in Wales showed that four out of 19 hospitals surveyed were not meeting the standards laid down.

SOCIAL SECURITY

War Pensioners

Mr. Goggins: To ask the Secretary of State for Social Security what estimate she has made of the number of war pensioners likely to be living in England in the years *(a)* 2000, *(b)* 2005, *(c)* 2010 and *(d)* 2015. [9139]

Mr. Denham: The information is in the table.

Year	*Number of war pensioners*
2000	230,000
2005	190,000
2010	150,000
2015	120,000

1. Figures include both war disablement pensioners and war widows.
2. Figures are rounded to the nearest 10,000.

Mr. Goggins: To ask the Secretary of State for Social Security how many war pensioners currently live in *(a)* England, *(b)* the city of Manchester and *(c)* the borough of Trafford. [9143]

Mr. Denham: The information is not readily available and could be obtained only at disproportionate cost. Estimated figures are set out in the table:

Area	*Number of war pensioners*
England	250,000
Manchester	4,500
Borough of Trafford	under 1,000

Quangos

Mr. David Heath: To ask the Secretary of State for Social Security if she will list the quangos within her Department's responsibility which she has to date announced her intention *(a)* to abolish and *(b)* to make subject to a significant element of democratic accountability. [9672]

Mr. Keith Bradley: I refer the hon. Member to the reply given by my right hon. Friend, the Prime Minister, to my hon. Friend the Member for West Lancashire (Mr. Pickthall) on 18 June, *Official Report*, column *174*.

I also refer the hon. Member to the reply given to him today by my right hon. Friend, the Chancellor of the Duchy of Lancaster.

Housing Benefit

Mr. Burns: To ask the Secretary of State for Social Security how many successful claims there were for housing benefit in the Chelmsford local authority area by *(a)* council house/housing association tenants, *(b)* private sector tenants and *(c)* home owners in June for each year since 1990. [10307]

Mr. Keith Bradley: The information is not available in the format requested. Such information as is available is set out in the table:

Housing benefit recipients in Chelmsford, by tenure, May 1990 to May 1996

	Local authority tenants	*Housing association tenants*	*Private landlord tenants (excluding housing associations except for 1990 and 1991)*
May 1990	4,510	n/a	1,490
May 1991	4,730	n/a	1,170
May 1992	4,960	280	1,010
May 1993	5,090	160	1,450
May 1994	5,240	650	1,360
May 1995	5,110	810	1,350
May 1996	4,910	920	1,350

Notes:
1. The information refers to benefit units which may be a single person or a couple.
2. The figures are rounded to the nearest 10.
3. Information relating to housing association tenants was not collected separately prior to May 1992.
4. No information is available for home owners as generally they are not eligible for housing benefit.

Source:
Department of Social Security Housing Benefit Management Information System, quarterly 100 per cent. caseload count with and without income support taken at the end of May in each year given.

Child Benefit

Mr. Flynn: To ask the Secretary of State for Social Security if she will make it her policy that the combined real value of child dependency addition and child benefit for the child of a widowed mother is at least maintained at its present real level in future upratings. [10567]

Mr. Keith Bradley: We are committee to retaining universal child benefit from birth to age 16, and to uprate it in line with prices. The rates of all benefits are reviewed annually.

Mr. Flynn: To ask the Secretary of State for Social Security what was the combined value of child dependency addition and child benefit for the child of a widowed mother *(a)* in cash terms, *(b)* in real terms and *(c)* as a percentage of average earnings, in November 1979 and at each subsequent uprating date. [10566]

Mr. Denham: The information is in the tables:

Child benefit and widowed mothers allowance child dependency increase for first child

Uprating date	*Cash paid (£ per week)*	*Cash as a percentage of average earnings at each uprating date*	*Real value at April 1997 prices (£ per week)*	*Real value as a percentage of average earnings at April 1997*
November 1979	11.10	11.0	28.79	7.8
November 1980	12.25	10.2	27.56	7.5
November 1981	12.95	9.8	26.02	7.1

Child benefit and widowed mothers allowance child dependency increase for first child

Uprating date	Cash paid (£ per week)	Cash as a percentage of average earnings at each uprating date	Real value at April 1997 prices (£ per week)	Real value as a percentage of average earnings at April 1997
November 1982	13.80	9.7	26.09	7.1
November 1983	14.10	9.0	25.43	6.9
November 1984	14.50	8.7	24.92	6.8
November 1985	15.05	8.4	24.52	6.7
July 1986	15.15	8.0	24.28	6.6
April 1987	15.30	7.7	23.49	6.4
April 1988	15.65	7.2	23.12	6.3
April 1989	16.20	6.8	22.15	6.0
April 1990	16.90	6.4	21.11	5.8
April 1991	17.95	6.3	21.08	5.7
October 1991	18.95	6.5	21.92	6.0
April 1992	19.40	6.4	21.85	6.0
April 1993	19.80	6.2	22.01	6.0
April 1994	20.00	6.1	21.68	5.9
April 1995	20.25	6.0	21.24	5.8
April 1996	20.70	5.9	21.20	5.8
April 1997	20.95	5.7	20.95	5.7

Child benefit and widowed mothers allowance child dependency increase for subsequent children

Uprating date	Amount paid (£ per week)	Cash as a percentage of average earnings at each uprating date	Real value at April 1997 prices (£ per week)	Real value as percentage of average earnings at April 1997
April 1991	17.95	6.3	21.08	5.7
October 1991	18.20	6.2	21.06	5.7
April 1992	18.65	6.1	21.00	5.7
April 1993	19.05	6.0	21.18	5.8
April 1994	19.25	5.9	20.87	5.7
April 1995	19.50	5.8	20.46	5.6
April 1996	19.95	5.7	20.43	5.6
April 1997	20.20	5.5	20.20	5.5

1. The average earnings of full time adult employees was calculated using the "New Earnings Survey" and "Average Earnings Index", both produced by the Office of National Statistics.

2. The retail prices index (all items) was used to put Child Benefit and WMA child dependency addition into real terms as at April 1997. This was then compared with the provisional average earnings for April 1997 to give the percentage quoted.

National Insurance Contributions

Mr. Flynn: To ask the Secretary of State for Social Security what would be the lower and upper national insurance contributions limits if they had been increased in line with average earnings since 1980; and what would be the current effect on the annual yield from contributions if *(a)* the lower limit, *(b)* the upper limit and *(c)* both limits were increased to those levels. [10571]

Mr. Denham: The lower and upper earnings limits for class 1 national insurance contributions and the lower and upper profits limits for class 4 national insurance contributions are linked to the level of the basic retirement pension. If the basic retirement pension had been uprated since 1980 in line with the higher of earnings or prices the weekly lower and upper earnings limits for 1997–98 would be £86 and £645 respectively and the annual lower and upper profits limits would be £9,653 and £33,540 respectively. The estimated full year effects of limits set at these levels for 1997–98 are shown in the tables.

Estimated full year effects of weekly lower and upper earnings limits for class 1 national insurance contributions set at £86 and £645 respectively in 1997–98

Change in annual yield, £ million

	Weekly lower earnings limit—£86	Weekly upper earnings limit—£45	Weekly lower earnings limit and weekly upper earnings limit—£645
Class 1 employees			
Gross	−1,880	+1,970	+90
Rebate	−235	+190	−50
Net	−1,645	+1,785	+140
Class 1 employers			
Gross	−140	0	−135
Rebate	−480	+350	−130
Net	+340	−350	−5
Class 1 total			
Gross	−2,015	+1,970	−45
Rebate	−715	+535	−180
Net	−1,300	+1,435	+135

Figures are rounded to the nearest £5 million; totals may not sum due to rounding.

Estimated full year effects of annual lower and upper profits limits for class 4 national insurance contributions set at £9,653 and £33,540 respectively in 1997–98

Change in annual yield, £ million

	Annual lower profits limit—£9,653	Annual upper profits limit—£33,540	Annual lower profits limit and annual upper profits limit—£33,540
Class 4	−250	+165	−80

Notes

1. Figures are rounded to the nearest £5 million; totals may not sum due to rounding.

Source:

Government Actuary's Department.

State Pensions

Mr. Flynn: To ask the Secretary of State for Social Security if she will ensure that individuals deciding to contract out of SERPS are sent before making that decision, a simple explanation of the scheme and the respects in which it differs from occupational and personal pension schemes. [10572]

Mr. Denham: We publish a booklet NP46 "A Guide to Retirement Pensions" which contains a comprehensive guide to SERPS and information on contracting-out of SERPS. This is available from DSS offices.

On 17 July, we announced a wide-ranging review of pensions which will address nine fundamental challenges. One of these is to raise awareness of pensions and improve the level of financial education so that people understand the importance of saving for retirement and make the right choice about which pension product is best for them.

Mr. Flynn: To ask the Secretary of State for Social Security what estimate she has made of the weekly state basic earnings-related and total pensions payable to men and women on average earnings and half average earnings

reaching pension age in *(a)* 1997, *(b)* 2007, *(c)* 2017, *(d)* 2027, *(e)* 2037 and *(f)* 2047, (i) in cash terms and (ii) as a percentage of their pre-retirement earnings, assuming that the basic pension and the earnings limits for contributions are uprated in line with (1) prices and (2) average earnings. [10570]

Mr. Denham: The information is in the tables:

Table 1: Amount of standard rate basic RP from April 1997, rounded to the nearest 5p in cash prices

£

	1997	2007	2017	2027	2037	2047
Uprated by prices	62.45	76.05	92.70	113.00	137.70	167.90
Uprated by earnings	63.30	89.55	126.70	179.25	253.60	358.75

Table 2: standard rate basic RP as a percentage of male and female average earnings as at April in the year preceding retirement; assuming basic RP is uprated in line with prices

Per cent.

	1997	2007	2017	2027	2037	2047
Male	16	14	12	10	9	7
Female	22	19	16	14	12	10

Table 3: standard rate basic RP as a percentage of half male and female average earnings as at April in the year preceding retirement; assuming basic RP is uprated in line with prices

Per cent.

	1997	2007	2017	2027	2037	2047
Male	37	27	23	20	17	15
Female	43	37	32	27	24	20

Table 4: standard rate basic RP as a percentage of male and female average earnings as at April in the year preceding retirement; assuming basic RP is uprated in line with earnings from April 1997

Per cent.

	1997	2007	2017	2027	2037	2047
Male	16	16	16	16	16	16
Female	22	22	22	22	22	22

Table 5: standard rate basic RP as a percentage of half male and female average earnings as at April in the year preceding retirement; assuming basic RP is uprated in line with earnings from April 1997

Per cent.

	1997	2007	2017	2027	2037	2047
Male	31	31	31	31	31	31
Female	43	43	43	43	43	43

Table 6: Additional Pension based on a person with average earnings throughout their working life expressed in cash prices and as a percentage of male and female average earnings as at April in the year preceding retirement; assuming basic RP and earnings limit increase in line with prices

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£80.80	£111.20	£144.90	£195.20	£224.10	£313.30
Male (as percentage of average earnings)	20	20	18	17	15	14
Female (cash prices)	£52.00	£72.40	£97.10	£137.50	£189.30	£264.40
Female (as percentage of average earnings)	18	18	17	17	17	16

Table 7: Additional Pension based on a person with half average earnings throughout their working life expressed in cash prices and as a percentage of half male and female average earnings as at April in each year; assuming basic RP and earnings limit increase in line with prices

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£31.40	£44.10	£59.60	£85.20	£120.60	£180.00
Male (as percentage of half average earnings)	16	16	15	15	15	16
Female (cash prices)	£16.20	£23.90	£33.50	£49.40	£75.30	£115.70
Female (as percentage of half average earnings)	11	12	12	12	13	14

Table 8: Additional Pension based on a person with average earnings throughout their working life expressed in cash prices and as a percentage of male and female average earnings as at April in each year; assuming basic RP and earnings limit increase in line with earnings from April 1997

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£80.80	£110.80	£146.00	£203.20	£271.40	£386.50
Male (as percentage of half average earnings)	20	20	18	18	17	17
Female (cash prices)	£52.00	£72.00	£95.40	£133.30	£181.20	£258.10
Female (as percentage of half average earnings)	18	18	17	16	16	16

Table 9: Additional Pension based on a person with half average earnings throughout their working life expressed in cash prices and as a percentage of half male and female average earnings as at April in each year; assuming basic RP and earnings limit increase in line with earnings from April 1997

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£31.40	£43.00	£58.00	£81.00	£110.60	£157.60
Male (as percentage of half average earnings)	16	15	15	14	14	14
Female (cash prices)	£16.20	£23.50	£31.80	£45.20	£65.30	£93.40

Table 9: Additional Pension based on a person with half average earnings throughout their working life expressed in cash prices and as a percentage of half male and female average earnings as at April in each year; assuming basic RP and earnings limit increase in line with earnings from April 1997

	1997	2007	2017	2027	2037	2047
Female (as percentage of half average earnings)	11	12	11	11	11	12

Table 10: Total RP expressed in cash terms and as a percentage of male and female average pre-retirement earnings as at April in each year; where basic RP is uprated by prices

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£143.20	£187.20	£237.60	£308.20	£381.00	£481.20
Male (as percentage of half average earnings)	36	33	30	27	24	21
Female (cash prices)	£114.50	£148.50	£189.80	£250.50	£327.00	£432.30
Female (as percentage of half average earnings)	40	37	33	31	29	27

Table 11: Total RP expressed in cash terms and as a percentage of half male and female average earnings as at April in each year; where basic RP is uprated by prices

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£93.80	£120.10	£152.30	£198.20	£258.40	£347.80
Male (as percentage of half average earnings)	47	43	38	35	32	31
Female (cash prices)	£78.60	£100.00	£126.20	£162.40	£213.10	£283.60
Female (as percentage of half average earnings)	55	49	44	40	37	35

Table 12: Total RP expressed in cash terms and as a percentage of male and female average earnings as at April in each year; where basic RP is uprated by earnings

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£144.10	£200.30	£272.70	£382.50	£525.00	£745.30
Male (as percentage of half average earnings)	36	36	34	34	33	33
Female (cash prices)	£115.30	£161.60	£222.20	£312.60	£434.80	£616.80
Female (as percentage of half average earnings)	40	40	39	38	38	38

Table 13: Total RP expressed in cash terms and as a percentage of half male and female average earnings as at April in each year; where basic RP is uprated by earnings

	1997	2007	2017	2027	2037	2047
Male (cash prices)	£94.70	£132.50	£184.60	£260.30	£364.10	£516.40
Male (as percentage of half average earnings)	48	47	46	46	46	46
Female (cash prices)	£79.50	£113.00	£158.50	£224.40	£318.80	£452.20
Female (as percentage of half average earnings)	56	56	55	55	56	56

Notes:

1. Assumed real earnings growth of 1.5 per cent. a year and prices increase by 2 per cent. per annum. Retirement date is assumed to be the 1 April of each year in question.
2. All amounts are in cash prices. Amounts of AP are rounded to the nearest 10p, amounts of RP are rounded to the nearest 5p.
3. Percentages are rounded to the nearest 1 per cent.

Source:

Average earnings are taken from the New Earnings Survey 1996.

DEFENCE

Nuclear Weapons Safety Committee

Mr. Matthew Taylor: To ask the Secretary of State for Defence when the Nuclear Weapons Safety Committee was set up; what is the remit of the committee; if he will list the chairmen of the committee since 1967 indicating the years in which they served; what reports the committee produces; and what is the current security classification of each of the reports. [10404]

Dr. Reid: The Nuclear Weapons Safety Committee was established in 1959. Its current terms of reference are to advise my right hon. Friend the Secretary of State for Defence, the services and other interested MoD authorities on all safety matters pertaining to nuclear weapons systems, including issues of design, manufacture, transport, storage, handling and operational training.

The present chairman of the committee is Professor Sir John Cadogan CBE FRSE HON FEng FRS; he was appointed in 1992. The previous chairmen, both of whom are deceased, were appointed on the understanding that their names would remain confidential. The production of reports is dependent upon the business of the committee at any given time. The classifications of reports range from restricted to top secret.

Aircraft Crashes

Mr. Matthew Taylor: To ask the Secretary of State for Defence what categories his Department used to define the damage caused to its aircraft which have crashed; and when his Department instituted these categories. [10405]

Mr. Spellar: For administrative purposes, aircraft are assigned one of five damage categories. These are defined as follows:

Category 1—damage repairable on site by established first-line maintenance personnel.

Category 2—damage repairable on site by established second-line maintenance personnel.

Category 3—damage repairable on site but beyond unit technical resources. Assistance from a repair and salvage unit or civilian contractor is required.

Category 4—damage is not repairable on site and the aircraft must be removed to a established repair depot or civilian repair organisation.

Category 5—aircraft is damaged beyond economic repair or is missing.

Records show that the first use of the numeric system appeared in 1956.

Nuclear Weapons (US Aircraft)

Mr. Baker: To ask the Secretary of State for Defence what is his policy in respect of the use of United Kingdom airspace by United States aircraft carrying nuclear weapons. [10691]

Dr. Reid: United States aircraft transporting nuclear weapons for logistical purposes are permitted to use United Kingdom airspace. As I told the hon. Member in my answer of 14 July, *Official Report*, column *61*, all movements of nuclear materials, including weapons, by US personnel within the UK and its airspace take place in full consultation with my Department. This enables appropriate safety cover to be provided by MoD personnel.

Land Mines

Mr. Key: To ask the Secretary of State for Defence, pursuant to his oral answers of 16 June, *Official Report*, column 5, and 14 July, *Official Report*, columns 14 15 on anti-personnel landmines, when he was informed that it was not the case that all British anti-personnel land mines had been taken up following conflicts in the Falkland Islands and the Gulf. [9666]

Dr. Reid *[holding answer 21 July 1997]:* On 13 July 1997.

Mission Statement

Mr. Keith Simpson: To ask the Secretary of State for Defence (1) if his Department's mission statement will include expenditure objectives; [10118]

(2) if he will list the benchmarks by which Parliament will be able to measure his Department's progress on its mission statement; [10119]

(3) if his Department's mission statement will include an ethical objective; [10120]

(4) if he plans to publish his Department's mission statement before the summer Adjournment. [10121]

Dr. Reid: The precise coverage of the Ministry of Defence's mission statement remains under consideration. We do not now expect to issue the mission statement before the summer Adjournment.

RAF Strike Command

Mr. Keith Simpson: To ask the Secretary of State for Defence what sum is allocated to maintaining RAF strike command in the current financial year; and what that is as percentage of the defence budget. [10117]

Dr. Reid: Cm 3602 "The Government's Expenditure, Plans 1997–1998 to 1999–2000", a copy of which is in the Library of the House, identifies a total planned allocation for RAF strike command in the current financial year of £1,722 million, representing 7.89 per cent. of the total planned defence budget.

Biological and Chemical Weapons

Mr. Baker: To ask the Secretary of State for Defence what stockpiles exist in the United Kingdom of *(a)* biological weapons and *(b)* chemical weapons; in how many locations these are kept; and what total volume of each existed within the United Kingdom in (i) 1996 and (ii) 1986, [10693]

Dr. Reid: The United Kingdom has not possessed an offensive biological weapons capability since shortly after the second world war. The UK gave up its offensive chemical weapons capability in the 1950s and had disposed of its stocks of such weapons by 1960. Indeed, we are party to the 1972 biological and toxin weapons convention and the 1993 chemical weapons convention, which explicitly ban the stockpiling of biological and chemical weapons.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Local Government (Sanctions)

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions what approach he will adopt when considering applications for sanction by local authorities under sections 19 and 20 of the Local Government Act 1982; and if he will make a statement. [11144]

Ms Armstrong: As required by the statute, we shall decide each application on its merits having regard both to our policy on sanction applications and to the circumstances of the individual case concerned. Our policy is to continue the approach previously followed, namely, that the power to sanction should not be exercised too widely. Sanction may be appropriate in those cases where the expenditure is incurred in good faith, but in ignorance of the strict letter of the law, or inadvertently without observance of requisite formalities, or under such circumstances as make it fair and equitable that the expenditure should not be disallowed by the auditor.

In accordance with our commitment to open government, we are today sending to the Local Government Association, the Audit Commission, the Commission for Local Administration and to all local authorities in England a departmental note setting out the basis on which applications for sanction under sections 19 and 20 of the Local Government Financial Act 1982 are to be made and considered. I am arranging for copies of the note to be placed in the Library of the House.

Mesothelioma

Mr. Willis: To ask the Secretary of State for the Environment, Transport and the Regions what research his Department has *(a)* commissioned and *(b)* evaluated into the concentration of mesothelioma in the last 10 years. [10536]

Angela Eagle: A detailed analysis of the geographical concentrations of mesothelioma in the period 1976 to 1991 was published in "Health and Safety Statistics 1995–96"—pages 72–75 and table 2.18—a copy of which has been placed in the House of Commons Library.

Sellafield

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what factors are being taken into account by the Environment Agency in deciding whether to authorise the establishment of a mixed oxide plant at Sellafield. [10694]

Angela Eagle: The Environment Agency is considering British Nuclear Fuels' application for commissioning and operation of the Sellafield mixed oxide plant. It will take into account issues relevant to justification, risks to the public and environment, national policy on radioactive waste management and the UK's international obligations.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the number of extra *(a)* flights, *(b)* movements by sea and *(c)* movements by road of radioactive material which would result from the opening of a mixed oxide plant at Sellafield. [10689]

Ms Glenda Jackson: The production and transportation of mixed oxide—MOX—fuel at Sellafield are matters for the site's operators, BNFL.

(a) I refer the hon. Member to my answer to my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson), *Official Report*, 21 July, column *420*.

(b) and *(c)* I understand from the company that MOX fuel has been produced and shipped from the Sellafield site since the 1960s. The new Sellafield MOX plant—SMP—is expected to produce its first fuel towards the end of 1998. In common with previous shipments, transport of finished MOX assemblies from the SMP will be by road and/or rail for onward shipment by air or sea as appropriate. However, delivery direct to the customer by road and/or rail is not precluded.

The number of movements associated with the dispatch of finished fuel assemblies will result in only a marginal increase in the existing number of commercial movements from Sellafield.

The packages used for these movements, by road, rail, sea or air, are approved and certificated for use within the United Kingdom by this Department, and must be transported in accordance with UK statutory safety requirements.

Quangos

Mr. David Heath: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the quangos within his Department's responsibility which he has to date announced his intention *(a)* to abolish and *(b)* to make subject to a significant element of democratic accountability. [9681]

Angela Eagle: The Assessment Panel for Construction Research—an advisory non-departmental public body—was wound up on 14 July 1997.

I refer the hon. Member to the answer which my right hon. Friend, the Chancellor of the Duchy of Lancaster, gave to my hon. Friend the hon. Member for The Wrekin (Mr. Bradley) on 24 July 1997, *Official Report*, column *693*, on the extension of democratic accountability to quangos.

Crime Prevention

Mr. Beith: To ask the Secretary of State for the Environment, Transport and the Regions what guidance his Department has issued on the consideration of issues of crime prevention in the planning process. [10257]

Mr. Raynsford: Circular 5/94, entitled, "Planning Out Crime", was published in February 1994 and gives advice to local authorities, developers and designers about planning considerations relating to crime prevention.

Painshill Copse Gipsy Site

Mrs. Virginia Bottomley: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the inspectors's report and decision on the public inquiry into the Painshill Copse gipsy site. [9967]

Mr. Caborn: My right hon. Friend issued his decision on this case on 23 July. He accepted the inspector's recommendation that permission be granted for the continued use of land at Lydia park, Painshill Copse as a residential gipsy caravan site, subject to conditions. I have sent the right hon. Member a copy of the decision letter and the inspector's report.

New Homes

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the number of new homes that will be built in 1999; and if he will make a statement. [9785]

Mr. Raynsford: In recent years, my Department has not made national forecasts of the number of dwellings that will be built in future years. We are currently reviewing estimates of the requirement for housing up to 2016, and this will help to inform any future forecasts of house building levels.

Ethnic Minorities

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions how many and what percentage of employees, in each payband, in the quangos for which his Department is responsible, are of *(a)* Asian origin and *(b)* Afro-Caribbean origin. [8959]

Angela Eagle: The recruitment and employment of staff is the responsibility of each individual body which seeks to attract applicants from diverse backgrounds. The Department, for its part, is keen, wherever possible, to encourage equality of opportunity within non-departmental public bodies. The information requested is not held by my Department.

Lorry Weights

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions when he expects the decision on the 44-tonne weight limit for lorries will be announced. [10529]

Ms Glenda Jackson: It is too soon to say. We are still considering the responses to the previous Government's consultative document and the wider policy implications.

Driving Hours

Liz Blackman: To ask the Secretary of State for the Environment, Transport and the Regions, (1) pursuant to his answer of 3 July, *Official Report*, column *254*, on permitted driving hours, when he expects an opportunity will arise to amend legislation to give officers powers to prohibit the drivers of UK registered vehicles; [10579]

(2) pursuant to his answer of 3 July, *Official Report*, column *253*, on the powers of traffic enforcement officers, in what ways the powers of enforcement officers to inspect and remove tachograph charts and to search for other evidence will be clarified; and when he expects an opportunity for amending legislation will arise. [10578]

Ms Glenda Jackson: We wish to remove any possible doubt that authorised examiners can enter and inspect vehicles in order to check tachographs and records and that they can require records to be sent to their offices for inspection and copying. These changes and those relating to the power to prohibit will require primary legislation and I can only reiterate that we will promote amending legislation when a suitable opportunity arises.

Roads (A303 Improvements)

Mr. David Heath: To ask the Secretary of State for the Environment, Transport and the Regions if the improvements to the A303 Sparkford-Ilchester section approved at the public inquiry in August 1994 can proceed independently of the Salisbury bypass section of the A303. [9836]

Ms Glenda Jackson: This scheme is included in the accelerated review announced by my right hon. Friend the Minister of Transport on 19 June. We hope to announce the results of that review later this month.

Vehicle Year Identifier

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions when his Department will announce the results of its consultation paper on the vehicle year identifier. [10617]

Ms Glenda Jackson: We intend to make an announcement shortly.

Rail Freight

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact of track access charges on rail freight operators. [10684]

Ms Glenda Jackson: All Railtrack track access agreements are subject to the approval of the Rail Regulator. Railtrack is expected to allow onto the network freight flows which can cover at least the marginal costs they impose. For traffic which cannot even meet these costs, track access grant is available in recognition of the environmental and wider social benefits of sending freight by rail rather than by road.

Unleaded Petrol

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions how many cars have been modified for use of unleaded petrol in each of the last five years. [10251]

Ms Glenda Jackson: The information required is not held centrally. Most modifications to vehicles to enable them to run on unleaded petrol are likely to have taken place in the years immediately following the introduction of unleaded petrol in April 1987, encouraged by the duty differential in favour of that product. This is reflected in the rapid increase in unleaded petrol sales to 40 per cent. of total petrol sales by April 1991. From that date, subsequent increases in the sales of unleaded petrol are likely to be attributable primarily to the statutory requirement for new petrol-engined vehicles, with some time-limited exemptions, to be designed and constructed so as to be able to run on unleaded petrol, and from 1993, to the need for catalyst-equipped vehicles to use only unleaded petrol.

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the number of *(a)* cars, *(b)* motor cycles and *(c)* light goods vehicles, which are able to use (i) four-star petrol only, (ii) unleaded petrol only and (iii) either four-star petrol or unleaded petrol. [10249]

Ms Glenda Jackson: Vehicles which are able to use only unleaded petrol are generally those fitted with catalytic convertors. An estimated 7 million petrol-engined cars and light good vehicles are so fitted. An estimated 1.3 million cars and light goods vehicles not fitted with catalytic convertors must be able to use unleaded petrol. In addition some 604,000 motor cycles are estimated to be able to use unleaded petrol. The remaining 12.4 million cars and light goods vehicles and 130,000 motor cycles were originally designed to use leaded petrol. However, the experience of countries such as the United States and Sweden indicates that most of these can safely use premium or super-unleaded petrol as an alternative, with the addition of a lead-replacement additive if it is felt necessary to afford a greater degree of protection against the possibility of increased seat wear.

Seat Belts

Mr. Edwards: To ask the Secretary of State for the Environment, Transport and the Regions if he will impose standards on the advertising of seat belts installation services. [10234]

Ms Glenda Jackson: The Department has produced advice notes, setting out what we consider to be best technical practice, for those involved in the installation of seat belts. The issue of trading standards is the responsibility of the Department of Trade and Industry which has confirmed that legislation already exists to prevent traders from making false claims about their goods and services. Enforcement of these regulations is a matter for local trading standards officers.

UK-Taipei Flights

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had, and with whom, about the bilateral civil aviation agreement between the United Kingdom and the Republic of China on Taiwan in respect of the number of flights between the United Kingdom and Taipei. [10515]

Ms Glenda Jackson: None. Flights between the United Kingdom and Taiwan are operated under an agreement between airlines.

Air Services

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what destinations in the United Kingdom have ceased to be served by direct air services from London's Heathrow and Gatwick airports since 1979. [10079]

Ms Glenda Jackson: Domestic destinations that had direct air services from Heathrow and Gatwick airports in 1979, which have since ceased operating, are as follows:

Heathrow	*Gatwick*
Prestwick	Bournemouth
Norwich	Exeter
Liverpool	Inverness[1]
Humberside	Teesside[1]
Cardiff	Prestwick
Birmingham	East Midlands
East Midlands	Blackpool

[1] Inverness and Teesside continue to have direct services from Heathrow.

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what action he is taking to ensure that during negotiations with the European Union sufficient slots are made available at major continental airports for the maintenance and development of air services from key regional centres of the United Kingdom. [10080]

Ms Glenda Jackson: We are awaiting proposals from the European Commission for revisions to the Council regulation governing airport slot allocation in the Community. On receipt of those proposals, we will take account of the needs of access to the continent from key regional centres in the UK in preparing our position for negotiations in the Transport Council.

Portsmouth Port

Mrs. Virginia Bottomley: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the *(a)* tonnage of goods and *(b)* passenger numbers which passed through the port of Portsmouth in the last year for which figures are available; and in each case where Portsmouth ranked relative to other United Kingdom ports. [10334]

Ms Glenda Jackson: The latest figures available are taken from "Port Statistics 1995" published by HMSO.

(a) In 1995, some 4.4 million tonnes of freight passed through Portsmouth. Portsmouth was the 20th largest port in the United Kingdom.

(b) Passenger numbers are published only for international sea passenger traffic. In 1995, Portsmouth was the second busiest international passenger port in the United Kingdom with 3.3 million international sea passenger movements through the port. Portsmouth also has significant domestic traffic, however information supplied to the Department on UK domestic passenger routes is commercially confidential.

A3

Mrs. Virginia Bottomley: To ask the Secretary of State for the Environment, Transport and the Regions how many *(a)* accidents and *(b)* fatalities occurred on the A3 in each of the last three years; and what percentage of each occurred in the Waverley local authority area. [10332]

Ms Glenda Jackson: *(a)* Personal injury road accidents on the A3 were recorded as follows:

	1994	*1995*	*1996*
Injury accidents on the A3	1,223	1,105	1,093
Injury accidents on the A3 in Waverley	107	79	88
Percentage	9	7	8

(b) Road accident fatalities on the A3 were recorded as follows:

	1994	*1995*	*1996*
Fatalities on the A3	9	8	11
Fatalities on the A3 in Waverley	2	1	0
Percentage	22	13	0

Mrs. Bottomley: To ask the Secretary of State for the Environment, Transport and the Regions how many miles of the A3 between London and Portsmouth are single carriageway; and if he will list their locations. [10333]

Ms Glenda Jackson: I have asked the chief executive of the Highways Agency to write to the right hon. Member.

Letter from Lawrie Haynes to Mrs. Virginia Bottomley, dated 25 July 1997:

The Secretary of State for the Environment, Transport and the Regions has asked me to reply to your recent question about how many miles of the A3 between London and Portsmouth are single carriageway and where they are located.

The A3 around Hindhead in south west Surrey is the last remaining section of single carriageway between Wandsworth in south west London and Portsmouth. It is approximately 4.1 miles in length.

Street Works (Householders' Liability)

Mr. Peter Bradley: To ask the Secretary of State for the Environment, Transport and the Regions if he will review the provisions of the Highways Act 1980 relating to the liabilities of householders whose properties are located on road junctions to apportionments for street work arising from both frontages. [10390]

Ms Glenda Jackson: I have no plans to review these provisions. As the law stands, it is open to a highway authority to adopt an unadopted street, but the frontagers are legally liable for the cost of any works necessary to bring it up to the required standard first; the charge is normally based on the respective lengths of the frontages of the properties which adjoin the street, though the highway authority may modify such an apportionment by taking into account the degree of likely benefit to individual householders when calculating their apportionments. It also has discretion to contribute towards the costs of the works as a whole or those borne by flank or rear frontages. Properties on private streets may be expected to cost less than they otherwise would, because of the liability for private street works expenses.

Marine Environment

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to publish a consultation document on marine environmental high-risk areas; and if he will make a statement. [10403]

Ms Glenda Jackson: We are completing the development of criteria to identify areas which are both of high environmental interest and at risk from shipping. Once these criteria have been developed, a decision will be taken on how the concept of marine environmental high-risk areas should be taken forward and appropriate consultations will be carried out.

CABINET OFFICE

Millennium Exhibition

Mr. Nicholls: To ask the Minister without Portfolio what plans he has to emphasise the Christian character of the Millennium celebrations at Greenwich. [8046]

Mr. Mandelson *[holding answer 14 July 1997]:* We recognise that the millennium is both a Christian anniversary and an important landmark for everyone who measures time by the Gregorian calendar. Physical and spiritual renewal will be one of the key themes of the new millennium experience at Greenwich. We shall be working closely with the Christian Churches, and with those of other faiths and none, to achieve this.

Mr. Maude: To ask the Minister without Portfolio what was the cost to public funds of the launch of the millennium experience on 26 June. [7986]

Mr. Mandelson: The cost to the Department for Culture, Media and Sport was £5,074.20.

Mr. Nicholls: To ask the Minister without Portfolio how many tourists he expects to visit the millennium exhibition at Greenwich. [8047]

Mr. Mandelson *[holding answer 14 July 1997]:* I refer the hon. Member to the reply I gave to the hon. Member for Hertsmere (Mr. Clappison) *Official Report*, 21 July 1997, column *392*.

Parliamentary Questions

Mr. Baker: To ask the Minister without Portfolio, pursuant to his answer of 7 July, *Official Report*, column *324*, what arrangements he made to ensure that he would be present in the Chamber on 21 July to answer the question about the millennium dome if it were reached. [10682]

Mr. Mandelson: I have nothing to add to the points made by my right hon. Friend the Secretary of State for Culture, Media and Sport in answer to the hon. Member's point of order on 21 July, *Official Report*, columns 700–01.

AGRICULTURE, FISHERIES AND FOOD

Broiler Chickens

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the percentage of broiler chickens infected with salmonella; and what was the percentage in each of the last 10 years. [8659]

Mr. Rooker: The levels of salmonella in broiler chickens are surveyed periodically at the retail stage. The Advisory Committee on the Microbiological Safety of Food produced a report on poultry meat in 1996 which contains details of Government-funded retail surveys on the prevalence of salmonella in UK-produced raw chicken. This information is set out in the table.

Prevalence of Salmonella spp. in raw chicken, 1979–1994

Survey	*Source and type*	*Number of chickens*	*Number (percentage) with salmonella spp.*
1979–80	UK, frozen	100	79 (79)
1987	UK, frozen	101	65 (64)
1990	UK, frozen	143	77 (54)
1994	UK, frozen	281	114 (41)
1987	UK, chilled	103	56 (54)
1990	UK, chilled	143	58 (41)
1994	UK, chilled	281	93 (33)

As can be seen from the table, the prevalence of salmonella in chickens on retail sale has declined markedly over the years. However, it remains essential to observe the normal rules of food hygiene when handling and cooking chickens in order to minimise the risk of food poisoning.

Beaufort's Dyke

Mr. Bennett: To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with Ferranti Ltd. concerning where it was dumping radioactive waste prior to its agreement in July 1957 to dump it in Beaufort's Dyke. [9966]

Mr. Rooker: None.

Responsibility for dumping at sea and for the disposal of radioactive waste in Scotland rests with the Secretary of State for Scotland. His officials are currently in discussion with the company concerned, and, as undertaken in my reply to my hon. Friend the Member for Kirkcaldy (Dr. Moonie) on 1 July *Official Report*, columns *158–60*, any new information found will be reported to the House.

Live Animal Exports

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food (1) what estimate he has made of the time local veterinary inspectors spend inspecting animals destined for export to ensure they are fit to travel as required by the Welfare of Animals (Transport) Order 1997; and if he will make a statement; [10279]

(2) if he will end the practice under which exporters of live farm animals can select which local veterinary inspector is to inspect the animals for export health certification purposes; and if he will make a statement; [10301]

(3) if he will end the practice under which exporters of live farm animals make a direct payment to the local veterinary inspector to undertake the export health certification. [10300]

Mr. Morley: These issues are being considered as part of a departmental review of pre-export procedures for live animals. The conclusions of this review will be announced as soon as practicable.

Meat Hygiene Service

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food how many firms are paying *(a)* more and *(b)* less for supervising operations since the Meat Hygiene Service took over the supervision of meat hygiene. [10337]

Mr. Rooker: The Meat Hygiene Service took over responsibility from local authorities for meat hygiene and inspection in licensed fresh meat premises on 1 April 1995.

Information on the actual costs for meat inspection under local authorities is not available. Overall, the total cost of meat inspection has been substantially reduced, from an estimated cost of the service provided by local authorities of £45 million per annum to the total cost of the service provided by the Meat Hygiene Service in 1995–96 of £35 million. There is clear evidence that some local authorities were subsidising their costs in some way. This has inevitably meant that some individual operators are paying more than they did previously. On the other hand-meat inspection charges to other operators have fallen.

Melatonin

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food what is his Department's policy towards foods containing melatonin. [10363]

Mr. Rooker: Foods containing the hormone melatonin, like all other foods in the UK, have to comply with the provisions of the Food Safety Act 1990, for example they should be of the nature, substance and quality demanded by the consumer and not be injurious to health.

Cattle Carcases

Mr. Green: To ask the Minister of Agriculture, Fisheries and Food how many cattle carcases are currently held in cold storage in Kent. [10354]

Mr. Rooker: No carcases from cattle slaughtered under the over-30-months scheme are currently being held in cold storage in Kent, although some 160 tonnes of intervention beef is being stored in the county. Information on commercial stocks of beef in cold storage in Kent is not available centrally.

Mr. Green: To ask the Minister of Agriculture, Fisheries and Food if he will list the cold store facilities currently available to take over-30-months scheme cattle in Kent. [10356]

Mr. Rooker: Four cold stores in Kent have been used for the storage of over-30-months scheme material. These are at Paddock Wood, Gillingham, Swanley and Thamesport. All of these stores have now been emptied of OTMS material and contracts are in the process of being terminated. We do not envisage the need to store OTMS material in cold stores in the future.

Quangos

Mr. David Heath: To ask the Minister of Agriculture, Fisheries and Food if he will list the quangos within his Department's responsibility which he has to date announced his intention *(a)* to abolish and *(b)* to make subject to a significant element of democratic accountability. [9677]

Mr. Morley: *(a)* In a news release on 28 May 1997, my right hon. Friend announced the disbanding of the Ministry's nine advisory regional panels.

Additionally, action is being taken on the other MAFF quangos in line with the Prime Minister's written statement to my hon. Friend the Member for West Lancashire (Mr. Pickthall) on 18 June, *Official Report*, column *174*.

(b) Following the written statement by the Chancellor of the Duchy of Lancaster on extending the democratic accountability of quangos to my hon. Friend the Member for The Wrekin (Mr. Bradley) on 24 July, *Official Report*, column *693*, the Ministry's position will be reviewed.

Silage Wrap

Mr. David Heath: To ask the Minister of Agriculture, Fisheries and Food what guidance he gives farmers concerning the safe disposal of black silage bag plastic. [9989]

Mr. Morley: I refer the hon. Member to the reply given to the hon. Member for Lewes (Mr. Baker) on 20 June 1997, *Official Report*, column *314*.

Avoparcin

Mr. David Heath: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the proportion of poultry flocks which are administered the food additive avoparcin. [9992]

Mr. Rooker: In December 1996, the European Commission presented a proposal to the Standing Committee banning the use of avoparcin as an additive in animal feed. The proposal was agreed by qualified majority and the UK implemented the ban on the use of avoparcin as a feed additive by the 1 April 1997 deadline. Product licences containing avoparcin were revoked with effect from 31 March. Avoparcin is therefore no longer authorised as a feed additive for use in poultry flocks.

Mr. Heath: To ask the Minister of Agriculture, Fisheries and Food what research he has *(a)* commissioned and *(b)* evaluated into links between avoparcin feed additive for poultry and vancomycin-resistant enterococcal infections in humans. [9993]

Mr. Rooker: The Government take very seriously the possibility of the development of antibiotic resistance in humans and animals as a result of the use of antibiotics in animal feed. This is carefully examined as part of the safety assessment of applications for authorisations for antimicrobial products, and is kept under review by the independent scientific Veterinary Products Committee which advises the Government on the safety, quality and efficacy of veterinary medicines. In considering the use of antibiotics, the committee has consistently followed the principles established in the report of the Joint Committee on the Use of Antibiotics in Animal Husbandry and Veterinary Medicine—the Swann report—of 1969. The VPC evaluated the report on Avoparcin produced by the European Commission's Scientific Committee on Animal Nutrition and endorsed its conclusion that, on the basis of science the evidence presented did not establish a risk to human health, animal health or the environment.

Apart from regular reviews by the VPC, a number of other recent initiatives into the issue of antibiotic resistance have been undertaken. The Advisory Committee on Microbiological Safety of Food has set up a working group to assess the risks to humans from antibiotic resistant micro-organisms entering the food chain. The working group is expected to report by the end of the year. Secondly, following the ban on avoparcin, a Commission working group has prepared a programme for the monitoring of resistance to a number of antibiotics in pigs and poultry. Samples are to be taken in slaughterhouses in a number of member states including the UK. The EU Committee for Veterinary Medicinal Products has also set up an ad hoc working party to investigate the prevalence and effects of anitmicrobial resistance in animals and potential for transfer to man. Finally, the House of Lords Select Committee on Science and Technology has established a sub-committee on resistance to anti-microbial agents. It aims to report in early 1998.

Minimum Wage

Mr. Ian Bruce: To ask the Minister of Agriculture, Fisheries and Food which industries are currently covered by minimum wage legislation; and what the minimum wage is in each for a 16-year-old casual worker. [10577]

Mr. Morley: Agriculture is currently the only industry covered by minimum wage legislation. Rates are reviewed annually in England and Wales. The minimum hourly rate of pay from 1 June 1997 for a 16-year-old casual worker undertaking agricultural work is £1.84. The rate for casual workers for anyone aged 19 and over is £3.06 per hour.

Cattle Cull

Mr. Pickthall: To ask the Minister of Agriculture, Fisheries and Food what measures he is taking to ensure the saleability of cattle born after 1 August 1996. [9543]

Mr. Rooker *[holding answer 21 July 1997]:* We are discussing with the European Commission a proposal to allow the export of meat from cattle born after a specified date. The first of August 1996 is a key date as, from that date, it became an offence to use or possess mammalian meat and bone meal on a farm and remaining stocks on farms had to be surrendered by that date. This, together with the introduction of cattle passports in July 1996, means that we are able to offer additional safeguards in respect of animals born after that date to our trading partners.

HEALTH

Ministerial Responsibilities

Mr. Jack: To ask the Secretary of State for Health if he will list his top three priority issues in respect of each of the sub-headings to each area of responsibility listed in respect of the list of ministerial responsibilities of each of his Department's Ministers. [9816]

Ms Jowell: The list of ministerial responsibilities referred to is not a template for the priorities of the Department of Health. The broad scope of the Department means that each Minister has responsibility for particular areas of work, but priorities are set across the whole Department, and every Minister's areas of responsibility feed into them. For this reason, a list of issues categorised by the sub-headings in that list would not encapsulate our priorities.

Public Health Initiatives

Mrs. Brinton: To ask the Secretary of State for Health what plans he has to introduce joint funding for health authorities and local authorities in respect of joint initiatives on public health. [10176]

Ms Jowell: Joint working between health and local authorities and other statutory and voluntary bodies will be an important element in delivering our manifesto commitments on public health. We shall be looking at ways to encourage co-operative working across such boundaries.

Psychiatric Care

Mr. Singh: To ask the Secretary of State for Health what is his policy in respect of mixed wards in psychiatric

hospitals with particular reference to the specific religions and cultural concerns of members of ethnic minority communities. [9968]

Mr. Boateng: We recognise that there are some problems for particular ethnic minorities. Our policy is set out in "The Patient's Charter and Mental Health Services" which says that

"if you would prefer to be cared for in single sex accommodation your wishes will be respected wherever possible"

In January this year, the NHS chief executive wrote to all health authorities and trusts to ask them to set targets in relation to upholding patient privacy and dignity including safe facilities for patients who are mentally ill.

Solvent Abuse

Mr. Hanson: To ask the Secretary of State for Health if he will list the figures for deaths from solvent and volatile substances abuse by *(a)* region, *(b)* product abused and *(c)* age in the last year for which figures are available. [10223]

Ms Jowell: I refer my hon. Friend to the reply I gave my hon. Friend the Member for Heywood and Middleton (Mr. Dobbin) on 30 June *Official Report,* columns *30–31.* The report is also available on the Internet on http:/www.sghms.ac.uk/phs/index.htm.

Quangos

Mr. David Heath: To ask the Secretary of State for Health if he will list the quangos within his Department's responsibility which he has to date announced his intention *(a)* to abolish and *(b)* to make subject to a significant element of democratic accountability. [9674]

Ms Jowell: My right hon. Friend the Secretary of State for Health has not yet announced the abolition of any of the Department's quangos. However, the Department is to take part in a Government-wide review of quangos, as announced by my right hon. Friend the Prime Minister on 18 June, *Offical Report,* column 174, to identify any suitable for merger or abolition. My right hon. Friend the Secretary of State recently announced his intention that future national health service trust board meetings will be held in public. In addition, those appointed to serve on NHS trusts and health authorities will be more representative of the community they serve, including more users of NHS services, more carers and more people involved in representing the community's interests. These measures will improve the accountability of local NHS boards to local people.

Vancomycin-resistant Enterococcal Infection

Mr. David Heath: To ask the Secretary of State for Health how many reported cases of vancomycin-resistant enterococcal infection there were in *(a)* 1996 and *(b)* 1997 to date. [9994]

Ms Jowell: No central data on the number of cases of infection with vancomycin-resistant enterococci are collected. However, national epidemiological data are compiled by the Public Health Laboratory Service, from isolates—specimens of bacteria isolated from patients—submitted voluntarily by hospitals in England and Wales for specialist microbiological tests. The total number of isolates submitted in 1996 was 1,800 and for 1997 the figure is 203 to the end of May 1997. These data do not record the number of affected patients or the proportion of cases of infection rather than colonisation—non-infected carrier state—with VRE. However, the PHLS estimates that about 10 per cent. of these totals represent cases of true infection due to the organism.

Mesothelioma

Mr. Wills: To ask the Secretary of State for Health if he will include mesothelioma as a topic for inclusion in the work carried out by *(a)* the UK Cochrane Centre and *(b)* the NHS centre for reviews and dissemination. [10534]

Mr. Boateng: The United Kingdom Cochrane centre and the national health service centre for reviews and dissemination plan to address mesothelioma in the context of their wider work on lung cancer.

Cancer

Mr. Wills: To ask the Secretary of State for Health what steps the Government are taking to ensure the implementation of the recommendations of the 1995 expert advisory group on cancer; which recommendations have yet to be implemented; and what factors underlie the non-implementation of those recommendations not yet implemented. [10537]

Mr. Boateng: The Government have given their full support to the implementation of the recommendations of the 1995 expert advisory group on cancer and £10 million has been made available recurrently to improve the diagnosis and treatment of breast cancer. The aim is to ensure that all women have speedy access to high quality diagnosis and treatment, based on Calman/Hine networks of cancer care. Guidance has been published on improving outcomes in breast cancer and on the provision of palliative care services.

A great deal of work has already been undertaken within the national health service to implement the recommendations with much being achieved locally. A key element has been the identification of cancer units and centres and the local agreement of where and what cancers should be treated at each individual hospital. In many regions, this has involved site visits by multi-disciplinary teams to assess cancer provision against agreed cancer standards, to identify strengths and weaknesses and to agree a time scale for change.

Although full implementation is planned to take some five to 10 years, we will continue to ensure that the programme is given a high priority. We are currently considering what further action should be taken both nationally and locally to ensure these improvements to cancer services are taken forward as quickly as possible.

Vitamin B6

Mr. Tredinnick: To ask the Secretary of State for Health when the report of the Government's Committee on Toxicity recommending restrictions on the use of vitamin B6 was published; and what further research has been conducted by the committee on toxicity since that date. [10667]

Ms Jowell: A statement on the toxicity of vitamin B6 by the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment—COT—was made available to the general public on 4 July 1997. Availability was announced in a Ministry of Agriculture Fisheries and Food news release on Government action following COT and Food Advisory Committee advice on vitamin B6.

It is not part of the COT's remit to conduct research. However, it does review the available data on the toxicity of chemicals; this is both papers published in scientific journals and submissions from industry. In this case, the COT considered more than 100 papers before coming to its conclusion.

Mr. Tredinnick: To ask the Secretary of State for Health how many representations he has received recently concerning the sale of vitamin B6. [10666]

Ms Jowell: Both the Department of Health and the Ministry of Agriculture, Fisheries and Food have jointly received approximately 1,000 letters making representations about vitamin B6. A significant proportion of these are in a standard format. However, on 23 July my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) and I met representatives of industry groups and nutritional therapy/alternative medicine interests, to listen to their views on the intended changes to the legislation controlling of vitamin B6 containing dietary supplements.

Mr. Tredinnick: To ask the Secretary of State for Health what research has been *(a)* commissioned and *(b)* evaluated by his Department concerning the effectiveness of vitamin B6. [10668]

Ms Jowell: My right hon. Friend the Secretary of State for Health has not commissioned any research into the effectiveness of vitamin B6. Data from pharmaceutical companies, on the efficacy of medicinal products containing vitamin B6 have been evaluated by the licensing authority and its expert advisory bodies in relation to applications for marketing authorisation submitted to the Medicines Control Agency. Following grant of a marketing authorisation, the MCA continues to monitor efficacy in relation to safety for all authorised medicinal products, including those containing vitamin B6.

FOREIGN AND COMMONWEALTH AFFAIRS

Visitor Visas (Iraqi Citizens)

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the Government's policy on the issue of visitor visas to Iraqi citizens who are relatives of United Kingdom citizens where such visas are sponsored by the United Kingdom citizen; what humanitarian considerations are taken into account in the processing of such applications; and if he will make a statement. [10270]

Mr. Fatchett: Iraqi citizens seeking to visit relatives in the UK are considered under the terms of the UK immigration rules in the same way as any other visa national. However, all applications from Iraqi nationals between the ages of 18 and 65 and employees of certain Iraqi organisations are referred to London for clearance.

When considering any visa application, the entry clearance officer, no matter what the nationality of the applicant, will take into any relevant compassionate circumstances into consideration.

Correspondence

Mr. Winnick: To ask the Secretary of State for Foreign and Commonwealth Affairs when the papers in the case of the constituent of the hon. Member for Walsall, North, No. IMM/ECR/0410/95/5 and Q4/40/97 were sent by the British high commission in New Delhi, to the correspondence unit of the migration and visa department in the Foreign and Commonwealth Office; and what is the current position on this case. [10451]

Mr. Fatchett: We have asked our high commission in New Delhi for a detailed account of the application and my noble Friend the Parliamentary Under-Secretary for Foreign and Commonwealth Affairs will write to my hon. Friend within one week of receiving that account.

Mr. Winnick: To ask the Secretary of State for Foreign and Commonwealth Affairs when he plans to reply to the letter from the hon. Member for Walsall, North of 1 July regarding a constituent. [10452]

Mr. Fatchett: My hon. Friend's letter was passed to the migration and visa division of this Department on 17 July for response. It aims to reply within 15 working days of this date, that is, 7 August.

British Aerospace

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his meeting with representatives of British Aerospace on 16 July. [10453]

Mr. Fatchett: British Aerospace representatives asked to call to brief me on their overseas business interests in the Asia-Pacific region, including Indonesia. I took the opportunity to explain the background to the current review of criteria to be used in considering licence applications for the export of conventional arms.

Sudan

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will urge the United Nations to establish a slave tracing programme to identify the location of slaves in Sudan and to bring about a reunion with their families. [10669]

Mr. Fatchett: The United Nations, through UNICEF, already has a programme to reunite families in Sudan. We fully support that programme and others with the same objective.

Mr. Flynn: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent dialogue he has had with representatives of Sudan's National Democratic Alliance; and how he intends to support their efforts. [10670]

Mr. Fatchett: I met the former Prime Minister, Sadiq al Mahdi, and an accompanying delegation on 19 May. Officials are in regular touch with representatives of the National Democratic Alliance in line with our policy of keeping open links to all sides in Sudan. We sympathise with many of the NDA's concerns about the present

Government in Khartoum. But we have no plans to support their efforts, which focus on overthrowing that Government.

General Affairs Council

Mrs. Fyfe: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the outcome of the General Affairs Council on 22 July. [11066]

Mr. Doug Henderson: The 36 A points in document 9959/97, the text of which will be placed in the House Library as soon as it is available, were approved.

The Council noted the resolutions adopted by the European Parliament, listed in document 8776/97. A copy of that document will also be placed in the House Library as soon as it is available.

The Council began with a debate on the Luxembourg presidency programme. The Luxembourg Foreign Minister outlined their priorities: the Special European Council on employment in October; preparation for enlargement; relations with Africa; and the fight against drugs. My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs made it clear that we want to take forward the Agenda 2000 package presented by the Commission, with a view to the early launching of the next stage in the enlargement process. We also need to ensure that the EU focuses on issues of concern to its citizens: above all on jobs.

The Commission presented its Agenda 2000 communication—covering enlargement, policy reform and future financing. Member states held an initial exchange of views. Three—Italy, Sweden and Denmark—opposed the Commission's recommendation that the EU should negotiate only with those central European applicants which it judged sufficiently prepared. There was a general recognition of the need for policy reform, but some of the principal CAP and structural and cohesion fund beneficiaries made clear their concerns. Detailed discussion will begin in the autumn, with a view to the Luxembourg European Council taking the necessary decisions so that accession negotiations can begin in early 1998, during the UK's presidency of the EU.

On Iran, the Council agreed the continuing need for EU solidarity, including on the return of EU ambassadors to Tehran.

The EU special envoy on the middle east peace process briefed the Council on developments in the region. The council discussed ways in which the European Union could contribute ending the current deadlock and to a resumption of negotiations on the basis of the agreements signed between the two sides. The Council had meetings with the Israeli Foreign Minister, David Levy, and the presidency of the Palestinian Authority, Yasser Arafat.

The Council discussed a report from the European Commission on exports to the European Union from the occupied territories in the context of the European Community interim association agreements with Israel and the PLO.

The Council briefly discussed the draft 1998 EC budget and in particular the level of structural funds payments.

The presidency and the Netherlands put forward new proposals on the trade aspects of the overseas countries and territories mid-term review, including quotas for rice—160,000 tonnes—and sugar—3,000 tonnes. There was no discussion and the item was remitted for further discussion in the working group, with a view to a decision being taken at the 15 September General Affairs Council.

The Council agreed, by a qualified majority, the framework agreement on humane trapping standards and a list of countries from which the import of furs into the European Union will be permitted. It also agreed a declaration that the Commission would do everything possible to accelerate the implementation of the agreement. We argued that the Community should not put its name to an agreement which continued to allow the use of leghold traps, which we consider inhumane. The United Kingdom therefore voted against the framework agreement, with the support of Austria and Belgium. We also tabled a minutes statement explaining why we had voted against the proposal and pointing out that we consider the agreement to be an interim measure only and expect work to continue to ensure that the use of leghold traps is brought to an end as quickly as possible.

The Council discussed the proposed EU/Jordan association agreement. We hope that this can be concluded as soon as possible.

The Council reiterated EU support for OAU/UN efforts to resolve the crisis in Congo—Brazzaville. An EU contribution to any inter-African force is under consideration.

The Council welcomed the holding of acceptable parliamentary elections on 29 June and 6 July in Albania. It urged Albanians to respect the results and to pursue the process of national reconciliation. The EU is committed to continuing its assistance to Albania, on condition that the Albanian authorities work towards stabilisation, democratisation and economic recovery. Law and order must be restored, while respecting human rights.

The EU will co-operate closely with other international organisations under the co-ordinating framework of the OSCE. They encourage a "common international agenda" on Albania, in co-operation with the Albanian authorities.

The high representative, Carlos Westendorp, reported to the Council on the situation in Bosnia. The Council condemned terrorist acts against SFOR and other international organisations and reiterated the international community's determination to penalise those responsible for failures to comply with the commitments agreed at the meeting of the steering board of the Peace Implementation Council at Sintra on 30 May.

TREASURY

Accounting Systems

Mr. Gorrie: To ask the Chancellor of the Exchequer which countries in the EU use *(a)* the public sector borrowing requirement and *(b)* similar cash-based accounting systems as their main guide in public finance; and which countries use an accruals-based accounting system. [8194]

Mrs. Liddell: The information requested falls within the responsibility of the chief executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Donald Gorrie, dated 25 July 1997:

The Chancellor of the Exchequer has asked me to reply, as Director of the Office for National Statistics (ONS), to your recent question on public finance.

The ONS does not hold detailed information on how public finances are measured in other member states.

However, all member states are required to calculate their General Government Financial Deficit (GGFD) in accordance with the European System of Accounts (ESA) second edition. This system applies a mixture of cash and accruals recording, depending on the type of transaction. The system accepts that, for public finances, cash measurement is acceptable for most transactions. GGFD statistics produced by member states are checked by the Statistical Office of the European Communities (Eurostat) to ensure compliance with the ESA.

Most countries use cash measurement for expenditure and taxes in the GGFD. This is the statistic used to monitor performance for Economic and Monetary Union.

For domestic purposes, member states use a variety of different statistics to monitor and control public finances. The ONS does not keep information on this.

District Valuation Offices

Mr. Pike: To ask the Chancellor of the Exchequer (1) what plans he has to review the proposed programme of closure and merger of district valuation offices; [9178]

(2) what representations he has received regarding the closure and merger of district valuation offices; and if he will make a statement. [9179]

Dawn Primarolo: The information requested is the responsibility of the Valuation Office. I have asked the acting chief executive to reply.

Letter from Peter Upton to Mr. Peter L. Pike, dated 25 July 1997:

I have been asked to reply to your Parliamentary Questions to the Chancellor (refs 9178 and 9179 of 15 July) in which you ask for information concerning the Agency's reorganisation proposals.

The proposals for streamlining the Agency network of local valuation offices were detailed to constituency MPs in a letter of 19 July 1995 from the then Economic Secretary to the Treasury, Mrs Angela Knight. And on 10 May 1996 the VOA's former Chief Executive, John Langford, wrote to you in response to your concerns about the proposed closure of Burnley Valuation Office.

Since this time, the Agency has been piloting its proposed new structure in the Leeds, York and Halifax offices and the results are due to be evaluated shortly.

Dawn Primarolo, the Financial Secretary to the Treasury and Minister with responsibility for the VOA, has already been supplied with a good deal of background material on the restructuring initiative which she will be considering carefully and discussing the proposals with me very shortly. The plans are subject to ongoing discussions with national Trade Union representatives and she will be seeing them too.

At the commencement of the restructuring programme the Agency advised all interested parties, including Members of Parliament and Local Authorities of the proposals.

No final decision on implementing will be made before the views of all concerned have been carefully considered.

I hope you will find the above helpful but if I can assist further then please let me know.

Interest Rates

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will publish the forecasts for the level of United Kingdom interest rates used in the assumptions underlying his recent Budget statement. [9488]

Mrs. Liddell *[holding answer 21 July 1997]:* In line with the convention followed by previous Governments, I do not intend to publish the interest rate path underlying the Budget economic forecast.

Carbon Dioxide Emissions

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will estimate the effects of his recent Budget proposals on the level of future United Kingdom carbon dioxide emissions; and if he will make a statement. [9482]

Dawn Primarolo *[holding answer 21 July 1997]:* I refer the hon. Member to the answer I gave to the hon. Member for Truro and St. Austell, (Mr. Taylor), on 18 July, *Official Report*, column *376*.

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer what estimate his Department has made of the impact a 1 per cent. annual increase in road fuel duties above the existing 5 per cent. real rate of increase would have on carbon dioxide emissions in the UK; and if he will make a statement. [8912]

Dawn Primarolo: Previously published projections of carbon emissions in the year 2010 incorporate the effects of the 5 per cent. escalator to the year 2000. Real increases of 6 per cent. rather than 5 per cent. in the years to 2000 will reduce projected annual carbon emissions by around 0.2 million tonnes in the year 2010. Application of the 6 per cent. escalator for the life of this Parliament will provide savings of 2.5 million tonnes.

Referendums

Sir Richard Body: To ask the Chancellor of the Exchequer if public money will be provided to campaigners in a referendum on the single currency; what the upper limit will be on permitted spending during such a campaign; and if he will make a statement. [10198]

Mrs. Liddell *[holding answer 22 July 1997]:* The Government have not considered the detailed arrangements for any referendum on the European single currency. The Government are committed to holding a referendum if the Government and Parliament decide that the United Kingdom should join the single currency.

Insulation Programme

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer how much money will be allocated per annum for insulation materials under the welfare-to-work environmental task force initiative to enable young people to insulate the homes of pensioners. [8986]

Mrs. Liddell: Some £3,150 million of the proceeds of the windfall tax has been allocated for the new deal for those under 25 who have been unemployed over six months. The environmental task force is one of four options for young people. The division of expenditure between these options will depend on the choices made by young people in consultation with designated case

workers and in the light of the opportunities available in each of the four options in that area. No overall expenditure has been specifically earmarked for insulation materials under the environmental task force.

Private Schools (Tax Relief)

Mr. Dafis: To ask the Chancellor of the Exchequer what was the estimated cost to the Exchequer of tax relief for the charitable status of private schools *(a)* in the United Kingdom and *(b)* in Wales in the last year for which figures are available. [10659]

Dawn Primarolo: I regret that this information is not available.

Pensioners (Fuel Costs)

Mr. Colvin: To ask the Chancellor of the Exchequer what estimate he has made of the impact on state pensioners' fuel bills of the reduction in VAT on domestic fuel; and if he will make a statement. [7663]

Dawn Primarolo: The average household would save £18 per year from a reduction in VAT on domestic fuel and power from 8 to 5 per cent. Pensioners will benefit most in proportion to income.

Fuel

Mr. Chidgey: To ask the Chancellor of the Exchequer what assessment he has made of the impact of changes in the rate of excise on unleaded petrol on the use of unleaded petrol by those drivers whose cars are able to use either four-star or unleaded petrol. [10252]

Dawn Primarolo: It is not possible to calculate from the information available the impact of the changes in the rate of excise duty on unleaded petrol on those drivers who may choose whether to use four-star or unleaded petrol.

Mr. Chidgey: To ask the Chancellor of the Exchequer what would be the financial impact to the Exchequer of reducing the differential between the rate of excise on unleaded fuel and four-star fuel by 1p per litre and the rate of excise on city diesel by 1p per litre. [10255]

Dawn Primarolo: Using the hon. Member's assumption, the impact of increasing the duty rates on unleaded petrol and diesel by 1p per litre would yield approximately £185 million and £165 million in 1998 and 1999 respectively. Costings take account of the effects on behaviour where they are likely to have a significant effect on the yield and any consequential changes in receipts from related taxes including VAT and are measured against a non-indexed base. City diesel, is currently taxed at the same rate as ordinary diesel but is awaiting Royal Assent to the Finance Bill.

Central Gilts Settlement System

Mr. Timms: To ask the Chancellor of the Exchequer when he expects to make the provision of services to sponsored members in the updated central gilts settlement system an authorisable activity under the Financial Services Act 1986. [11143]

Mrs. Liddell: When the House resumes in October, Her Majesty's Treasury will lay a statutory instrument extending the activities requiring authorisation under the Financial Services Act 1986 so as to cover the sending of dematerialised instructions on behalf of third parties and certain related activities to the central gilts office service.

Local Government Finance

Mr. Gorrie: To ask the Chancellor of the Exchequer (1) what assessment he has made of the implications of the removal of local authority self-financed expenditure from the control total for meeting *(a)* the Maastricht criteria, *(b)* the golden rule and *(c)* the control of public finance; [8021]

(2) if he will remove local authority self-financed expenditure from the control total. [7927]

Mr. Darling: The Government have already announced their plans for 1997–98 and 1998–99, in which local authority self-financed expenditure remains in the control total.

Special Advisers

Mr. Colvin: To ask the Chancellor of the Exchequer if he will make a statement on his policy on the appointment of special advisers to Her Majesty's Treasury. [1598]

Mrs. Liddell *[pursuant to her reply, 12 June 1997, c. 1276]:* A model contract of employment and an outline of the pay system for special advisers, which were attached to the Prime Minister's minute of 19 May to Cabinet colleagues, have been placed in the Library of the House. The Prime Minister's minute was an internal Government document and it would not be appropriate to disclose its contents.

TRADE AND INDUSTRY

Low Pay Commission

Mr. Alan Johnson: To ask the President of the Board of Trade if she will make a statement concerning the appointment of members to serve on the Low Pay Commission. [11225]

Mrs. Beckett: My right hon. Friend the Prime Minister has appointed the following individuals to serve on the Low Pay Commission which will advise the Government on the rate at which the national minimum wage might be set:

David Metcalf: Professor of Economics at the London School of Economics

Stephanie Monk: Director of Human resources for the Granada Group

Paul Gates: General Secretary of the Knitwear, Footwear and Apparel Trades Union (KFAT)

John Cridland: Director of Human Resources Policy for the CBI

Rita Donaghy: Member of the National Executive Council of UNISON

Lawrence Dewar: Chief Executive of the Scottish Grocers' Federation

Bill Callaghan: Head of the TUC Economic and Social Affairs Department

William Brown: Professor of Industrial Relations, Cambridge University

Professor George Bain will chair the commission.

The national minimum wage is one of the Government's top priorities and for that reason we have moved quickly to put the commission in place. We advertised nationally for applications to the commission and were gratified by the large response and the high quality of the candidates. I am confident that, with such a high-quality membership, the commission will be able to go about its work effectively and successfully.

Hawk Aircraft

Mr. Key: To ask the President of the Board of Trade when she was first notified that licences had already been issued for the continued sale of Hawk jets to Indonesia. [10393]

Mrs. Roche: Ministers were informed on 7 July 1997 that the licences granted in November 1996 for the export of 16 Hawk aircraft and equipment to Indonesia represented the second phase of Hawk sales to Indonesia agreed in principle in 1993.

Minister for Trade and Competitiveness in Europe

Mr. Paterson: To ask the President of the Board of Trade (1) if she will require the Minister for Trade and Competitiveness in Europe to publish a regular report on changes in his shareholdings; [10071]

(2) what shareholdings the Minister for Trade and Competitiveness Europe holds. [10070]

Mrs. Beckett: Apart from his holding in BP, which the Minister has undertaken not to trade before 1 January 1998, he can no longer give a report of his shareholdings, or changes in them, since they have been placed in a blind trust. It would breach the protection against conflicts of interest the trust provides to ask the manager of the trust to publish the composition of the portfolio.

Mr. Redwood: To ask the President of the Board of Trade (1) what assessment she has made of the effect of gas liberalisation on the competitive position of gas companies relative to other energy companies; [10322]

(2) what assessment she has made of the effect of gas liberalisation on the share price of BP. [10323]

Mrs. Beckett *[holding answers 24 July 1997]:* The Government's policy is to press for the completion of the single market in energy, which will offer opportunities for all energy companies, and bring benefits for all of Europe's energy consumers.

Mr. Redwood: To ask the President of the Board of Trade if those matters relating to *(a)* gas liberalisation, *(b)* state aids policy and *(c)* biotechnological inventions currently subject to proposals in the European Community under evaluation by Her Majesty's Government have a bearing on BP. [9653]

Mrs. Beckett *[holding answer 21 July 1997]:* Some aspects of these matters or cases—for example, concerning state aids to BP's direct competitors—can have a direct or particular bearing on BP. Arrangements are in place to ensure that no conflicts of interest arise for the Ministers dealing with these matters as all others.

Mr. Redwood: To ask the President of the Board of Trade if a private secretary from the DTI was present at the three meetings the Minister for Trade and Competitiveness has held with BP directors since becoming a Minister; what minutes were taken; and if she will publish them. [10492]

Mrs. Beckett: No. These meetings were related to the handover of Lord Simon's responsibilities at BP or to allow him to say farewell to his colleagues. It would have been wholly inappropriate for the DTI to be represented at such occasions, although the right hon. Member might have enjoyed the minutes of his farewell party.

Mr. Redwood: To ask the President of the Board of Trade in what circumstances the Minister for Trade and Competitiveness in Europe is able to handle matters relating to tax in Brussels. [10427]

Mrs. Beckett *[holding answer 24 July 1997]:* The Minister is not normally involved in EU Council negotiations on tax. Like other Ministers, he could present Her Majesty's Government's position if necessary, unless there were a conflict of interest.

Mr. Bercow: To ask the President of the Board of Trade if the Minister for Trade and Competitiveness in Europe will be handling indirect tax and corporate tax proposals under the action plan for the single market in Europe. [10016]

Mrs. Beckett *[holding answer 23 July 1997]:* The Minister is not normally involved in EU Council negotiations on tax. Like other Ministers, he could present Her Majesty's Government's position if necessary, unless there were a conflict of interest.

Mr. Hammond: To ask the President of the Board of Trade if the Minister for Trade and Competitiveness in Europe will be handling negotiations on pension funds in Europe under the action plan for the single market. [9788]

Mrs. Beckett *[holding answer 21 July 1997]:* The Minister for Trade and Competitiveness in Europe attends the Internal Market Council. Pension funds will be dealt with in ECOFIN, which he does not attend. However, he will continue to play a role in all aspects of the single market, subject to the arrangements which are in place to ensure that no conflicts of interest can arise.

Mr. David Heath: To ask the President of the Board of Trade if she will list the official engagements of the Minister for Trade and Competitiveness in Europe for the month of July. [9990]

Mrs. Beckett: The Minister has a wide range of engagements both at the DTI and the Treasury in fulfilment of his role as Minister for Trade and Competitiveness in Europe.

Minister for Competition and Consumer Affairs

Mr. Redwood: To ask the President of the Board of Trade when the Minister for Competition and Consumer Affairs stopped writing a column for the travel trade press; and on whose instructions. [10461]

Mrs. Beckett: My hon. Friend the Minister for Competition and Consumer Affairs wrote a fortnightly column for a leading travel newspaper, *Travel Weekly* from 15 September 1993 until 31 April 1997. The paper is read primarily by Britain's leading travel agents and tour operators.

Since 5 May, any contributions to *Travel Weekly*, or any other travel trade press have been on an occasional and entirely unpaid basis, in accordance with the guidance in paragraphs 94–95 of "Questions of Procedure for Ministers".

Engineering Industry

Mr. Redwood: To ask the President of the Board of Trade if she will list the figures for *(a)* export orders and *(b)* numbers of firms operating at a satisfactory rate in the engineering sector in each of the last 15 months. [10325]

Mrs. Beckett *[holding answer 24 July 1997]:* Figures for export orders on hand at the end of each of the last 15 months are as shown in the table:

	Not seasonally adjusted £ million
March 1996	10,373
April 1996	10,412
May 1996	10,101
June 1996	9,695
July 1996	9,539
August 1996	9,908
September 1996	9,909
October 1996	9,711
November 1996	9,809
December 1996	9,358
January 1997	9,346
February 1997	9,443
March 1997	9,172
April 1997	9,441
May 1997	9,308

Figures on the numbers of firms operating at a satisfactory rate in the engineering sector are not available from official statistics.

Mr. Redwood: To ask the President of the Board of Trade what action she plans to take to increase the levels of planned investment in the engineering industry. [10321]

Mrs. Beckett *[holding answer 24 July 1997]:* My agenda for pursuing competitiveness through partnership, starting with the competitiveness summit on 23 July, includes encouraging investment in industry, including the engineering industry. Engineering investment will also be encouraged by my policies for promoting technology transfer in the sector and encouraging good supply chain links. I welcome the actions of my right hon. Friend the Chancellor in laying the foundations for economic stability and introducing appropriate tax changes in the Budget, which will also improve the climate for investment.

Wind Energy

Mr. Vaz: To ask the President of the Board of Trade if she will make a statement on the Government's policy towards the use of wind energy. [9596]

Mr. Battle: Wind Energy is a vital element of sustainable development and has the potential to make an important contribution to our new and strong drive to develop renewable sources of energy. I expect development of wind energy to lead to the creation of new jobs and access to a worldwide market for renewable energy equipment estimated by the World Energy Council to grow to £50 billion per annum by 2005.

Astronomy

Charlotte Atkins: To ask the President of the Board of Trade what representations the Minister for Science, Energy and Industry received before 14 July from the hon. Member for Chesham and Amersham (Mrs. Gillan) concerning astronomy in the United Kingdom and the royal observatories. [10266]

Mr. Battle: It is for hon. Members to publicise their approaches to me, should they wish to do so.

Trade Missions

Mrs. Gillan: To ask the President of the Board of Trade what trade missions are planned for the next 12 months by *(a)* the Minister for Trade, *(b)* members of the royal family, *(c)* the chairman of the British Overseas Trade Board and *(d)* other departmental Ministers. [9454]

Mrs. Beckett *[holding answer 18 July 1997]:* The following trade missions are planned at present. Details of visit programmes and accompanying business delegations have yet to be finalised.

(a) Lord Clinton-Davis—Minister for Trade

September 1997: Chile/Argentina

September 1997: Korea/Japan

October 1997: Qatar and possibly Saudi Arabia/Yemen

December 1997: Poland/Czech Republic/Hungary

(b) Members of the Royal Family

The royal family's extensive programme of overseas visits plays an important part in the promotion of British commercial as well as other interests. The following visits specifically for trade promotions are planned during the next 12 months.

HRH The Duke of Kent—Vice Chairman of the British Overseas Trade Board

October 1997: Korea

April 1998: India

September 1998: Colombia/Peru/Bolivia

HRH The Duke of Gloucester

September 1997: Yemen (with British Consultants Bureau)

(c) Sir Martin Laing—Chairman of the British Overseas Trade Board

September 1997: Philippines

October 1997: Peru

November 1997: Egypt

(d) Other Departmental Ministers

Margaret Beckett—President of the Board of Trade

November: 1997: Australia/India

January 1998: China/Pakistan

John Battle—Minister for Science, Energy and Industry

November 1997: Angola/Botswana (provisional)

Barbara Roche—Under-Secretary of State for Small Firms, Trade and Industry

April 1998: Mauritius

Space School

Mrs. Gillan: To ask the President of the Board of Trade if the Science Minister will visit the 17th session of the Space school currently being held at Brunel university; and if he will make a statement. [10527]

Mrs. Roche: Regrettably, I am unable to visit this year's Space school. However, I welcome efforts to explain the importance of space science to young people, and compliment the Space school on developing innovative ways to further their interest in science.

Travel Industry

Mrs. Gillan: To ask the President of the Board of Trade what is his Department's policy towards vertical integration in the travel industry; and if he will make a statement. [10530]

Mrs. Beckett: I refer the hon. Member to the answer I gave to the right hon. Member for Wokingham (Mr. Redwood) on 14 July, *Official Report*, column 68.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

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This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes and cannot therefore, be used in connection with the daily part or weekly Hansard. For these versions use the Fortnightly Index.

Scope and arrangement of the Index

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The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates, etc.* (to include interventions on statements, points of order and so on) or *Questions*.

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Bills 1R = first reading, 2R = second reading, Money res = money resolution, Comm = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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